Climate Finance in 2013-14 and the USD 100 billion goal

A report by the OECD in collaboration with Climate Policy Initiative

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Abstract

Developed countries committed to mobilise jointly USD 100 billion a year in climate finance by 2020 for climate action in developing countries. Five years after the initial commitment was made at COP15 in Copenhagen in 2009 and six years ahead of the target date of 2020, this report provides a status check on the level of climate finance mobilised by developed countries in 2013 and 2014. There has been significant progress in meeting this goal. The preliminary estimates provided in this report are that climate finance reached USD 62 billion in 2014 and USD 52 billion in 2013, equivalent to an annual average over the two years of USD 57 billion. The report aims to be transparent and rigorous in its assessment of the available data and the underlying assumptions and methodologies, within the constraints of an aggregate reporting exercise. Methodological approaches and data collection efforts to support estimates such as this one are improving. Nevertheless, there remains significant work to be done to arrive at more complete and accurate estimates in the future, as outlined in the report. The OECD and CPI stand ready to support such efforts.

Disclaimer

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Acknowledgments

Producing a major report on the technically complex and politically sensitive issue of climate finance is difficult enough in the best of circumstances. Producing an estimate of the current status of climate finance in a matter of just a few months on the eve of COP 21 was not a task that we initially thought would be possible. That we have been able to provide a robust and methodologically transparent estimate of climate finance in 2013 and 2014 is, we believe, a significant contribution to the information available to the international community as it prepares to gather in Paris at the end of the year.

This report has been produced by the Secretariat of the Organisation for Economic Co-operation and Development (OECD) in collaboration with Climate Policy Initiative (CPI). There would, however, have been no such report without a huge amount of hard work by, and the goodwill of, numerous people in many different organisations and countries beyond the immediate OECD-CPI project team.

The project was led by Simon Buckle (Head of the Climate, Biodiversity and Water Division of the Environment Directorate, OECD) and managed by Stephanie Ockenden (Global Partnerships & Policies Division of the Development Co-operation Directorate, OECD), who also led the report drafting and analysis on public finance. The OECD project team comprised Raphaël Jachnik, who led the analytical work and drafting on mobilised private finance; Mariana Mirabile who provided invaluable quantitative

analysis and statistical expertise; Jennifer Calder who diligently gathered key data and provided analysis and Gonzalo Bustos-Turu who provided tireless and continuous support on data processing and analysis. Ziga Zarnic contributed to our analysis in the later stages of the project. Barbara Buchner, CPI Senior Director, was a key part of the project team and the main channel for CPI's contributions and a source of invaluable advice.

The Secretary General, Ángel Gurría, and the OECD Chief of Staff and Sherpa (Gabriela Ramos) took a close and active interest, and provided financial and institutional support throughout. Reflecting the cross-Directorate nature of the project, Simon Upton (Director of the Environment Directorate) and Jon Lomøy (Director of the Development Co-operation Directorate) were jointly responsible for the project and provided guidance, support and leadership. The project team also benefited from the insights and expertise of a range of other colleagues at the OECD, notably Julia Benn, Jan Corfee-Morlot, Jane Ellis, Valérie Gaveau, Michael Gonter, Cécile Sangare, Anthony Cox and Haje Schütte. At CPI Jessica Brown, Federico Mazza, Chiara Trabacchi and Jane Wilkinson provided expert advice and support, and a special thank you to Thomas C. Heller, CPI Executive Director, for his guidance and advice throughout the project. Shayne MacLachlan, Justine Garrett, Sama Al Taher Cucci, Stéphanie Simonin-Edwards, Stephanie Coic, and Dominique Haleva at the OECD were in various ways critical in supporting the project and for developing communications material.

The team would also like to thank government officials from Australia, Austria, Belgium, Canada, Czech Republic, Denmark, the European Commission, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States for sharing with the OECD Secretariat their finance data on an accelerated timescale, for their review of the report, and for their support and engagement with the OECD Secretariat throughout this project. The team is also thankful to all other OECD member countries, the Peruvian UNFCCC COP Presidency and the UNFCCC Secretariat for their comments on an early draft of the report, together with the Green Climate Fund Secretariat and the KfW Development Bank.

The project team would also like to extend its warm thanks to officials from the World Bank Group, (Multilateral Investment Guarantee Agency, International Finance Corporation and World Bank), the Adaptation Fund, the African Development Bank, the Asian Development Bank, the Climate Investment Funds, the European Bank for Reconstruction and Development, the European Investment Bank, the Global Environment Facility, the International Finance Corporation, the Inter-American Development Bank and the Islamic Development Bank for sharing their institutions' data on multilateral flows and co-financing as well as for their patience in responding to what must have seemed an incessant stream of questions.

While we have benefited from this enormous wealth of expertise and insight, the project team remains responsible for the methodological choices, the treatment and interpretation of data provided to us and any possible resulting errors.

Foreword

Expectations are high in advance of the UNFCCC Conference of the Parties meeting in Paris at the end of the year (COP21). Parties to the Convention are aiming to bring to fruition several years of negotiations on a new, universal agreement to address climate change beyond 2020. It is truly a critical meeting.

Climate finance is a key part of these negotiations, particularly in relation to developed countries' commitment to mobilise jointly USD 100 billion a year by 2020 for climate action in developing countries. This is, however, an area where the data and methodologies needed to provide a clear picture of the volume of climate finance have lagged behind political realities. The UNFCCC Standing Committee on Finance (SCF) published last year a first estimate of financial flows from developed to developing countries in 2010-12 of between USD 40 175 billion each year. The SCF also made a number of recommendations for improving the measurement, reporting and verification of climate finance flows. It will produce its next report in 2016.

It was in the context of enhancing transparency ahead of COP21, that the French and Peruvian Governments through Mr. Sapin, Minister of Finance and Public Accounts of France, and Mr. Segura Vasi, Minister of Economy and Finance of Peru, asked the OECD to provide an aggregate estimate of climate finance mobilised and an indication of the progress towards the USD 100 billion a year goal.

This report has been undertaken by the OECD in collaboration with Climate Policy Initiative (CPI). We were immediately conscious of the importance and sensitivity of the task entrusted to us. We knew there would be many technical and data challenges to overcome – and this had to be done in record time if our work was to contribute to increasing transparency and trust in the context of the climate negotiations leading up to COP21. Of course, the subject was not entirely new to us. In addition to the cutting-edge work of the OECD-hosted Research Collaborative on Tracking Private Climate Finance established in 2013, the OECD has longstanding and proven experience in measuring and monitoring development finance and in tracking climate-related development finance through the OECD Development Assistance Committee (DAC) Statistical Framework. CPI brought to bear its knowledge on the overall landscape of climate finance flows, and related methodological and definitional issues.

We have now concluded our work, which has involved extensive data collection and analysis, including a survey of countries' expected reporting to the UNFCCC due in January 2016 and data from the main Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs). Our final estimates, which focus on the volume of public and mobilised private climate finance in 2013 and 2014, paint an encouraging picture. We estimate the aggregate volume of public and private climate finance mobilised by developed countries for developing countries reached USD 62 billion in 2014, up from USD 52 billion in 2013, with an average for the two years of USD 57 billion per year in 2013-14. A large share of the rise from 2013 to 2014 was due to a substantial increase in outflows from MDBs.

We believe this to be a robust estimate, based on a transparent methodology that allows us to minimise the risks of double counting where multiple public actors are involved in financing an activity alongside private finance. Our estimates also take into account the fact that multilateral flows – both public and mobilised private – are due to the efforts of developing and developed countries and we only count the efforts of developed countries in our estimates. The bilateral public finance data reflects what countries currently expect to report to the UNFCCC in 2016. The aggregate estimates of mobilised private finance are a significant step forward. This is a particularly challenging area that requires more work to improve both measurement and methodologies. As such, these first estimates must be regarded as preliminary and subject to improvement.

I hope that this report will indeed contribute to transparency and confidence building in the run-up to COP21. We are extremely grateful for the co-operation and support provided by many individuals, countries and institutions during this project. Without their assistance this work would not have been possible. Finally, I hope that the lessons learned from this exercise will be helpful in further improving the tracking and reporting of climate finance in relation to the USD 100 billion goal. The OECD stands ready to support such efforts.

Angel Gurrìa, OECD Secretary General
7 October 2015

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RÉPUBLIQUE FRANÇAISE

MINISTÈRE DE L'ÉCONOMIE
ET DES FINANCES

PERÚ Ministerio de Economía y Finanzas

Dear Secretary-General,

Five months ahead of the Climate Change Conference, which will take place in Paris in December, the hope of reaching a universal agreement has never been as high. Peru and France, respectively the current and incoming Presidents of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC), are committed to achieving an ambitious outcome at the end of the international negotiations, in the form of an agreement to limit global warming to below 2°C.

One of the conditions for improving trust between the Parties and reaching an agreement is unquestionably the availability of adequate financial resources for managing climate change and the meeting of existing commitments on finance. In particular, developed countries need to provide clear, reassuring information about the implementation of their commitment to mobilize $100 billion a year by 2020 from a variety of sources, public and private, bilateral and multilateral, including alternative sources of financing, to support climate change adaptation and mitigation actions in developing countries.

As the current and incoming Presidencies of the COP, we are endeavouring to provide the necessary framework to enhance transparency and promote discussion and action around these issues. With this aim, the Presidencies will be co-hosting a closed-door Ministerial event on climate finance in Lima. This ministerial meeting will be held on the occasion of the 2015 Annual Meetings of the World Bank Group and the International Monetary Fund.

Angel GURRÍA
Secretary-General
Organisation for Economic Co-operation and Development

Within the UNFCCC, the Standing Committee on Finance (SCF) last year published a first estimate of the financing mobilized for 2010-2012 through the 2014 biennial assessment and overview of climate finance flows. On the basis of the available data, the SCF estimated that between $40 billion and $175 bi1lion of financing flowed from developed to developing countries each year. Those figures present a wide range of uncertainty and the SCF has made recommendations to the UNFCCC to improve tracking of climate finance flows; however, the next report will not be published until COP22.

As an input to the discussion during the Ministerial event on climate finance referenced above, and in order to capture the latest progress, it would be beneficial to provide an updated estimate of North-South climate finance flows in order to have a better indication of the progress being made towards meeting the $100 billion commitment. Due to its current work on the issue, we would like to entrust this task to the OECD. The report would need to be finalized at least two weeks before the Lima meeting. We trust your analytical capacity can capture and consolidate the ongoing efforts on the matter, helping to increase transparency around this issue.

Our staff will be informed of the progress of this work and will remain at your disposal for any organizational assistance you may require.

We hope we can rely on your support and assistance towards securing an ambitious agreement in Paris in 2015.

Yours truly,

Michel SAPIN

Minister of Finance
and Public Accounts

Alonso SEGURA VASI

Ministry of Economy
and Finance

Executive summary

Developed country Parties to the United Nations Framework Convention on Climate Change (UNFCCC) committed to a goal ***"of mobilising jointly USD 100 billion per year by 2020 to address the needs of developing countries… from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources"*** (UNFCCC, 2010).

With the aim of informing the international discussions and enhancing transparency on climate finance ahead of the UNFCCC 21st Conference of Parties (COP21) in Paris in December 2015, the current and incoming COP Presidencies, Peru and France, asked the Organisation for Economic Co-operation and Development (OECD) to provide an up-to-date aggregate estimate of mobilised climate finance and an indication of the progress towards the UNFCCC climate finance goal. This report has been undertaken by the OECD in collaboration with Climate Policy Initiative (CPI).

Following the UNFCCC Standing Committee on Finance's (SCF) recommendations in 2014, efforts by the international community to improve the tracking of climate finance have gathered momentum, including within the OECD and among its members, Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs). Building on these efforts and making use of the best available data and a transparent accounting framework, with clear methodological choices and definitions, this report presents a snap-shot of public and private climate finance mobilised towards the USD 100 billion goal in 2013 and 2014.

Given the extremely short period of time available to complete this exercise, the estimates we provide must however be regarded as preliminary and to be improved as measurement and methodologies develop further. One particular area where future work is required is to develop methodologies to quantify the role of climate policy and the broader domestic enabling environments on mobilising private finance. Relative to previous estimates, this report aims to make a contribution in four distinct areas:

- First, thanks to efforts by countries and international financial institutions to accelerate their reporting, we are able to provide comprehensive (though preliminary) figures for **public climate finance** in 2013 and 2014 in advance of COP21.

- Second, we are able to present preliminary partial estimates of **mobilised private climate finance,** drawing on private co-financing data associated with public finance interventions as best-available evidence to date. An important caveat is that direct co-financing does not necessarily equate to mobilisation and does not capture the indirect mobilisation effect of capacity building, budgetary support and domestic policies.

- Third, following the recent Joint Statement of a group of 19 bilateral climate finance providers[1] on their common understanding of the scope of mobilised climate finance, this report draws on the preliminary data provided in the context of their common methodology for tracking and reporting towards this goal, to the extent possible.

- Finally, the report provides **transparency** by breaking down the aggregate estimate of climate finance into its main financial elements and by disclosing the methodological approaches used.

1. Joint Statement on Tracking Progress Towards the $100 billion Goal by Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Sweden, Switzerland, United Kingdom, United States, and the European Commission (Group of 19 bilateral climate finance providers, 2015).

The report provides what we believe to be a robust estimate of climate finance flows in 2013 and 2014, addressing the risks both of double counting and the problems of attributing multilateral flows in a credible and reasonable way.

Progress towards the USD 100 billion goal: what is the level of climate finance in 2013-14?

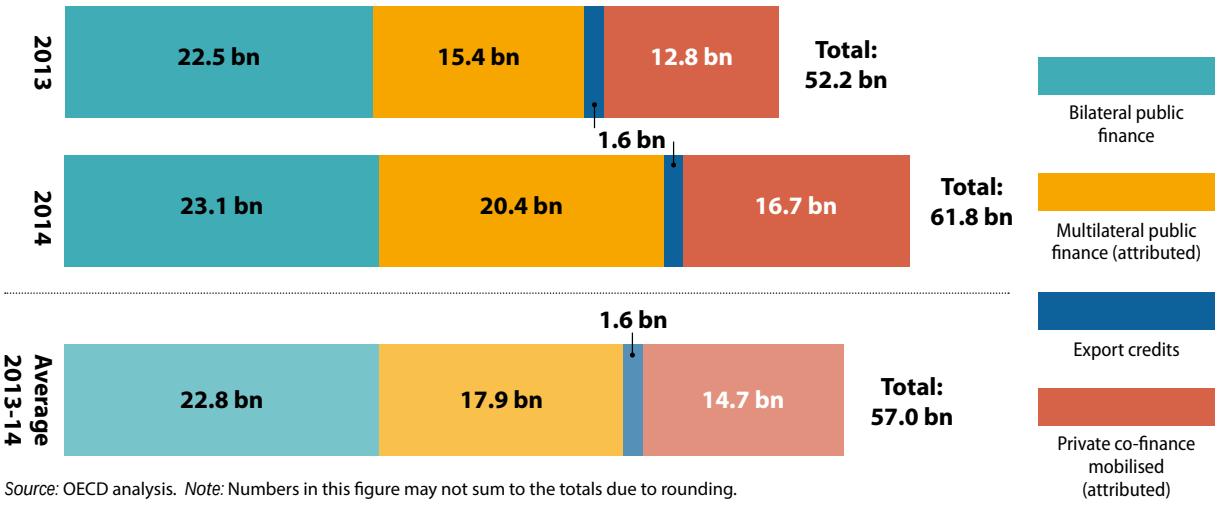
In line with the UNFCCC SCF's recommended operational definition, this report considers climate finance to include all finance that specifically targets low-carbon or climate-resilient development. The report uses the following working classification of developed and developing countries. Developed countries are classified as the 24 UNFCCC Annex II parties plus members of the OECD Development Assistance Committee that voluntarily requested to be part of this exercise[2]. Developing countries are classified as non-Annex I parties to the UNFCCC and/or ODA eligible recipients.

We estimate the aggregate volume of public and private climate finance mobilised by developed countries for developing countries reached USD 61.8 billion in 2014, up from USD 52.2 billion in 2013, with an average for the two years of USD 57.0 billion per year in 2013-14. A large share of the rise from 2013 to 2014 was due to a substantial increase in outflows from MDBs (see Figure 1). This aggregate volume does not include finance related to coal projects. However, Japan and Australia consider that financing for high efficiency coal plants should also be considered as a form of climate finance and, in addition to the figures in this report, Japan has provided USD 3.2 billion for such projects in 2013-14.

The aggregate estimate is based on the following elements of public and private finance:

- Provisional estimates of bilateral public climate finance based on Parties' expected reporting to the UNFCCC;
- Multilateral public climate finance from MDBs and key climate funds that can be attributed to developed countries;
- Climate-related officially supported export credits, predominately to renewable energy, together with supplementary Party reporting;
- A preliminary and partial estimate of private finance mobilised by bilateral and multilateral channels attributed to developed countries.

Figure 1: **Mobilised climate finance in 2013 and 2014, by funding source** (USD billions)



Source: OECD analysis. *Note:* Numbers in this figure may not sum to the totals due to rounding.

2. See Part I of the report for further details.

Figure 2: **Preliminary estimated aggregates of climate finance mobilised from developed countries for developing countries** (USD billions)

Climate Finance Source		2013	2014	Average 2013-14	Coverage of data	Consistency of data
Public	Bilateral finance	22.5	23.1	22.8	28 Parties, ODA and OOF	Party-own reporting to UNFCCC
	Multilateral climate change funds (outflows, attributed)	2.2	2.0	2.1	GEF and 5 main funds	Reporting to OECD DAC CRS
	Multilateral Development Banks (climate finance outflows, attributed)	13.0	18.0	15.5	6 main MDBs, concessional and non-concessional	Joint MDB approach reported to OECD DAC CRS
	Specialised United Nations Bodies and other multilateral organisations (climate-specific inflows)	0.3	0.4	0.4	Range of funds, limited climate-specific data	Party-own reporting to UNFCCC and OECD DAC Statistics
Export Credits	Officially supported export credits	1.3	1.5	1.4	Renewables only	OECD Export Credits Individual Transactions Database
	Supplementary Party reporting	0.3	0.1	0.2	Information from 3 parties	Party-own reporting
Private	Mobilised through bilateral channels	6.5	8.1	7.3	21 bilateral finance institutions and providers; varying instrument coverage	Initial joint-DFI and DAC methodologies
	Mobilised by MDBs, attributed to developed countries	6.2	8.6	7.4	6 main MDBs, MIGA, CIFs, GEF; limited instrument coverage	Initial MDB methodology for estimating co-financing
Aggregate of Climate Finance		52.2	61.8	57.0		

Source: OECD analysis based on i) responses to OECD survey of Parties' expected UNFCCC reporting ii) OECD DAC statistics on reporting from the Adaptation Fund, Climate Investment Funds(CIFs), Global Environment Facility (GEF), Nordic Development Fund and six main MDBs and inflows for the IPCC, Montreal Protocol and UNFCCC, iii) OECD Export Credits Individual Transactions Database, iv) provision by countries, DFIs, MDBs, the CIFs and the GEF of private co-financing data, v) country, DFI and MDB responses to OECD surveys on amounts of private finance mobilised. Note: Figures in this table may not sum to the totals due to rounding. See Part III and Annexes C-E for further information.

Spectrum of data coverage (providers and instruments)

Complete	Comprehensive	Partial	Very Partial	Unavailable

Spectrum of data consistency

Consistent	Broad convergence	Partial convergence	Variety of approaches	Unclear

The average estimate for 2013-14 comprises USD 40.7 billion of public finance (71% of the total), USD 1.6 billion of finance associated with export credits (3%), and an estimated USD 14.7 billion of mobilised private finance per year (26%). From these partial figures it is not possible to draw general conclusions regarding the overall ability of public finance to mobilise private finance or about the balance of public and private in future flows. The extent to which mobilisation of private finance happens depends on many factors, including the enabling conditions and sector-specific policies in the recipient country, the institution providing the finance, the type of instrument, and the purpose for which public finance is being made available.

These elements are presented in detail in Figure 2 together with our assessment of the data coverage and consistency. Supporting discussion can be found in Part II of the main report. Overall, confidence in the coverage and consistency of our estimates of public finance is higher than for private finance. These figures reflect the results of an extensive data collection exercise in collaboration with the main providers of climate finance embracing the 29 members of the OECD Development Assistance Committee (DAC)[3] and their bilateral development finance agencies, banks and institutions, the six

3. Australia, Austria, Belgium, Canada, Czech Republic, Denmark, European Union, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Norway, the Netherlands, New Zealand, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, United Kingdom, and the United States.

main Multilateral Development Banks (MDBs)[4], and key climate funds (the Adaptation Fund (AF), Climate Investment Funds (CIFs) and the Global Environment Facility (GEF) and its trust funds) and the Nordic Development Fund. The estimates presented in this report do not reflect any pledges to the Green Climate Fund (GCF), which became operational in 2014 and naturally did not result in committed outflows by the end of that year. Further details – including on data coverage by provider and instrument, and reporting approaches - can be found in the main body of the report and its annexes.

It is important to acknowledge that recent developments in definitions and accounting methodologies to track climate finance are a staging post on the way towards more complete and transparent estimates of climate finance. Improving the quality and coverage of data collection is an evolving multi-year process. Methodological choices made this year on refined definitions and accounting approaches represent progress but it may be some time before they can be systematically implemented and before data can be consistently and routinely collected.

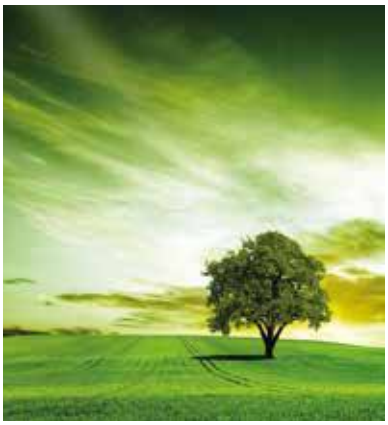
Further analytical and methodological effort will be required to underpin future improvements in measuring and reporting climate finance across a range of organisations, international financial institutions and countries. Improved methodologies for more robust estimates would need to take into account the effects of public finance for capacity building or budgetary support, and of public policies, while also considering the role of domestic conditions for enabling private financial flows.

Issues identified to further improve the understanding of climate finance relate in particular to transparency and accountability, as well as to working towards common definitions, methodologies and reporting approaches.

We hope that the lessons we have learned during this process may help to accelerate improvements in methodological refinements and data collection, both within and across countries and institutions and also in relation to Parties' reporting obligations under the UNFCCC. We note in particular that there are opportunities for developed country Parties to improve on the transparency and comprehensiveness of their climate finance reporting under the UNFCCC. The OECD and CPI stand ready to support and continue to co-operate with and contribute towards these efforts.

Preliminary estimates and figures presented in this report reflect climate finance mobilised by developed countries for developing countries related to the UNFCCC USD 100 billion a year goal, following the accounting framework and working definitions outlined in Part I.

4. African Development Bank (AfDB), Asian Development Bank (AsDB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Financial Corporation (IFC) and the World Bank.



Contents

Introduction

In 2010, the UNFCCC formalised the collective climate finance goal on the part of developed countries "of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries… from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources" (UNFCCC, 2010).

This report provides a status check as of September 2015, presenting a snap-shot of climate finance mobilised in 2013-14 in relation to the UNFCCC USD 100 billion a year by 2020 goal (hereafter referred to as mobilised climate finance).

To date, there has been relatively limited information available on the current volumes of climate finance and in particular of mobilised climate finance in the context of the USD 100 billion a year goal. The UNFCCC Standing Committee on Finance (SCF) provided in its 2014 *Biennial Assessment and Overview of Climate Finance* (UNFCCC SCF, 2014) an estimate of all climate-related financial flows from developed countries to developing countries, concluding that on average between 2010-12, these ranged between USD 40 to USD 175 billion per year, including USD 35-50 billion through public institutions and between USD 5-125[5] billion of private finance.

The SCF did not, however, explicitly address the question of mobilised climate finance in the context of the USD 100 billion a year goal. It is therefore unclear to what extent these estimates of broader climate finance flows can tell us about progress towards the USD 100 billion goal. Separately the Biennial Assessment presented aggregates of (predominately) climate-specific public finance and core multilateral support (including non-climate finance) to developing countries provided and reported to the UNFCCC by Annex II countries. Together, this totalled nearly USD 29 billion on average per year in 2011-12.

The analysis presented in this report builds on the OECD's longstanding experience in measuring and monitoring development finance and in tracking climate-related development finance through the OECD

5. The SCF issued a clarification stating that flows from developed to developing countries maybe closer to the lower bound (UNFCCC SCF, 2015).

DAC Statistical Framework, as well as existing and ongoing work by the UNFCCC Standing Committee on Finance, Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs). The more recently established and OECD-hosted Research Collaborative for Tracking Private Climate Finance has also been instrumental in co-ordinating emerging findings on methodologies to estimate mobilised private climate finance, collaborating across the DAC, MDBs, DFIs, countries and expert organisations. Building on the work of the Research Collaborative, most recently a group of 19 bilateral climate finance provider countries developed a common understanding of the scope of mobilised climate finance and a common methodology for tracking and reporting towards the USD 100 billion a year goal (TWG, 2015). This report also benefits from the collaboration with Climate Policy Initiative, which brings its own knowledge on the overall landscape of global climate finance flows.

Data challenges and constraints mean that it was not possible to provide a fully complete and comprehensive picture of mobilised climate finance for climate action in developing countries. Furthermore ongoing developments in, and discussions about, climate finance definitions and measurement approaches mean that this report can only present preliminary estimates of progress towards the USD 100 billion a year goal. Nevertheless, these estimates provide an up-to-date aggregate picture of climate finance in relation to the UNFCCC goal based on a transparent accounting framework. We hope that this new information about the volume of mobilised climate finance will be helpful in the context of the international climate negotiations leading up to COP21 in Paris at the end of 2015.

The report is structured in four parts. Part I outlines the accounting framework for measuring and aggregating climate finance estimates. Part II describes progress towards the USD 100 billion a year by 2020 goal, looking both at estimates of public and private climate finance mobilised. Part III describes the methodologies employed in producing these estimates and explores methodological progress in tracking climate finance, providing greater clarity on reporting approaches. Part IV concludes and reflects on open issues that may be helpful in informing efforts to further improve the transparency and comprehensiveness of climate finance measurement and reporting.

Part I. The Accounting Framework

This report provides an aggregate estimate of mobilised climate finance towards the USD 100 billion a year by 2020 goal based on accelerated data reporting, in particular of Parties' expected reporting to the UNFCCC in January 2016 and from the Multilateral Development Banks (MDBs). It does not replace Parties' own forthcoming reporting to the UNFCCC on climate finance support, but rather intends to provide an early indication of the latest state of play of climate finance in 2013-14 ahead of COP21, providing greater clarity and transparency on reporting approaches and the composition of climate finance.

Estimating progress towards the USD 100 billion a year goal is a technically complex endeavour. There are significant risks of double counting and of attributing climate finance inappropriately because finance flows often result from several countries or institutions working in collaboration to achieve a given outcome. These considerations apply to public climate finance, but are even more complex when we consider private finance mobilised by public interventions.

In order to provide a robust and transparent aggregate estimate, this report presents and draws on an accounting framework, outlining the key methodologies, working classifications and definitions that have been employed. In line with the recent Joint Statement of a group of 19 bilateral climate finance providers on their common understanding of the scope of mobilised climate finance, and with detailed methodological input from their Technical Working Group (TWG, 2015), this report applies their common methodology to the preliminary data, to the extent possible and recognising that this is work in progress (see Annex F for further detail). The following accounting framework, working classifications and definitions have been adopted for the purpose of this report:

1. Funding Sources

Five key funding sources are included in this aggregate reporting exercise:

- **Bilateral public finance** contributions, including Official Development Assistance (ODA) and Other Official Flows (OOF), as reported to the UNFCCC.
- **Multilateral climate finance** through the major MDBs and key multilateral climate funds, including both concessional and non-concessional flows – attributable to developed countries[6].
- **Officially supported export credits and supplementary Party reporting**[7]
- **Private finance mobilised;**
  – **through bilateral channels**, in particular the major bilateral Development Agencies and DFIs.
  – **through multilateral channels**[6], in particular the major MDBs as well as the key climate funds, the CIFs and the GEF.

Figure 3: **Illustration of funding sources included in the aggregate estimate of climate finance mobilised by developed countries** (not to scale)

2. Classification of "developed country" and other participating providers of climate finance

- For the scope of this aggregate reporting exercise we have adopted a working classification for developed country and other providers of climate finance in the context of the USD 100 billion a year goal.
- This includes the 24 UNFCCC Annex II parties[8] together with four OECD DAC members that voluntarily asked to be part of this exercise – the Czech Republic, Poland, the Slovak Republic and Slovenia, hereafter referred to collectively as "developed countries". Only finance provided by and attributed to these providers is included in the estimates presented in this report. (See Annex A for a list of Parties, the financial sources that each report and that are included in this exercise).
- This working classification does not prejudge any potential definitions under the UNFCCC.

6. Multilateral finance and private flows mobilised through multilateral channels are not counted in their entirety as being due to developed countries. Rather, a share is attributed to developed economies based on a methodology described in Part III, with only this share counting towards the USD 100 billion a year goal.

7. Export credit statistics have not been routinely available or typically drawn upon by the climate finance community, and were not commonly reported in first 2011-12 Biennial Reports to the UNFCCC. Most recently a group of 19 bilateral climate finance providers announced in their common understanding of mobilised climate finance that it includes public finance provided by export credit agencies (Group of 19 bilateral climate finance providers, 2015).

8. The UNFCCC Annex II parties are those that are required to provide financial resources to enable developing countries to undertake emissions reduction activities under the convention and to help them adapt to adverse effects of climate change, and who are required under the convention to provide information on financial resources provided. This does not include Turkey who was removed from the Annex II list in 2001 at its request to recognise its economy as a transition economy. The Annex II list is narrower than the OECD DAC membership.

3. Classification of "developing country" recipients

- For the purposes of this report we have adopted a working classification for developing country recipients. This includes any country that is a UNFCCC Non-Annex I Party and/or an OECD DAC ODA-eligible recipient (see Annex B for a list).

- This working classification does not prejudge any potential definitions under the UNFCCC.

4. Climate Definitions

- Climate adaptation, mitigation and cross-cutting activities drawing on existing definitions and eligibility criteria from relevant international organisations (e.g. the OECD DAC Rio markers, Joint MDB Typology of Mitigation Activities, and the Intergovernmental Panel on Climate Change (IPCC)). (See Part II, information Boxes 7 and 8.)

- In line with the UNFCCC SCF's recommended operational definition which reflects the points of convergence and common elements across data collectors and aggregators: *"Climate finance aims at reducing emissions, and enhancing sinks of greenhouse gases and aims at reducing vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts"* (UNFCCC SCF, 2014).

- Excluding finance for coal-related power generation in the aggregate estimates, except if related to Carbon Capture and Storage and/or Carbon Capture and Use (TWG, 2015). (For details on the volume, refer to Part II, bullet 2.)

5. Basis of measurement

- Flows can be counted either on a commitment basis (measuring firm obligations, expressed in writing and backed by the necessary funds) or a disbursement basis (reflecting the release of funds to, or the purchase of goods or services for a recipient). Counting on a commitment basis normally leads to some "front loading" compared to disbursements.

- Commitments provide a good indication of providers' current allocations, while disbursements show actual payments in each year and thus indicate the state of execution of activities, reflecting past decisions on multi-year commitments disbursed in tranches overtime.

- The use of Parties' reporting to the UNFCCC means that there is a mix of both bases of measurement (commitments and disbursement) with regard to bilateral public climate finance flows, whereas other flows are all on a commitment basis (see Annex C).

6. Accounting period

- Figures and estimates are for 2013 and 2014, presented on a yearly basis and as annual averages, in USD nominal amounts.

- Annual averages may be considered more reliable when analysing fluctuating financial flows. In this case, averaging smooths fluctuations from large multi-year commitments programmed in a given year. However, averaging a very short data series such as the climate finance data presented here also has the effect of reducing differences. If such differences are due to random factors, then averaging is preferable. If such differences are due to policy action to achieve a goal, averaging will hide key information. This report therefore presents annual and average data together.

7. Definition of public and private finance

- Use of the OECD DAC standard definition to determine if an entity is public or private: official [i.e. public] transactions are those undertaken by central, state or local government agencies at their own risk and responsibility, regardless of whether these agencies have raised the funds through taxation or through borrowing from the private sector (OECD DAC, 2013).

8. Quantification of public finance

- All financial instruments are accounted for at cash face value.

- Country and organisation own approaches to quantifying the climate-specific volume of an activity, i.e. in line with individual party reporting to the UNFCCC (see Annex C for further details) and the joint MDBs' climate component approach (see Box 6).

9. Quantification of private mobilised finance

- Quantification of mobilised private finance using best-available activity-level data, where in the context of this report mobilised private climate finance has been estimated based on "co-financing" directly associated with public finance instruments (see Part III).

- This report does not use leverage ratios to approximate mobilised private climate finance.

10. Avoidance of double counting

- Bilateral public finance flows for this report have been collected outside of the DAC system, whilst multilateral flows have been drawn on through the DAC system which collects detailed activity-level data within a statistical framework to ensure no double counting, i.e. between MDB outflows and flows from other multilateral funds or bi-multi finance.

- Double counting is avoided across private finance estimated through the use of volume-based pro-rata attribution of private co-finance among public actors involved (from developed and developing countries alike) based on respective contributions.

11. Attribution of mobilised multilateral finance to developed countries

- Multilateral outflows are supported through financial contributions by both developed and developing countries. This report draws on a methodology that quantifies the contribution of each, counting only multilateral finance attributed to developed countries in estimates relating to the USD 100 billion a year goal (TWG, 2015). See Part III for further details.

- The concessional and non-concessional operations of the MDBs are treated differently reflecting the different ways in which country contributions are used. In particular, the non-concessional operations of MDBs depend on finance raised on global capital markets, which in turn depends on the capital of the MDB in question, both paid-in capital and capital available in the event of financial distress – so-called callable capital. The attribution methodology takes into account these variables.

All figures and estimates presented in this report reflect climate finance mobilised by developed countries for developing countries related to the UNFCCC USD 100 billion a year goal, following the accounting framework and working definitions outlined above, unless stated otherwise.

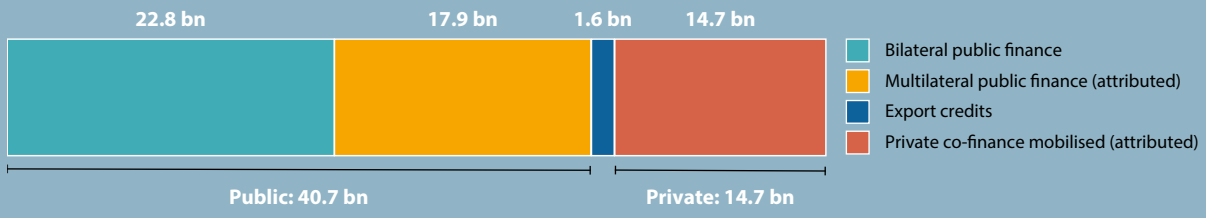
Part 2. Progress towards the UNFCCC USD 100 billion climate finance goal

- **The aggregate volume of public and private climate finance mobilised by developed countries is estimated to be USD 61.8 billion in 2014 up from USD 52.2 billion in 2013, equivalent to USD 57.0 billion on average per year in 2013-14.**

- **This aggregate volume does not include finance related to coal projects. However, Japan and Australia consider that financing for high efficiency coal plants should also be considered as a form of climate finance and, in addition to the figures in this report, Japan has provided USD 3.2 billion for such projects in 2013-14.**

- **Of this average aggregate estimate, 77% of climate finance is allocated towards climate change mitigation objectives, 16% towards climate change adaptation and 7% to activities that target both. This result is driven by the dominance of mobilised private climate finance towards mitigation-related activities (over 90%).**

Figure 4: **Mobilised climate finance in 2013-14, by funding source** (USD billions, annual average)



Source: OECD analysis. *Note:* Numbers in this figure may not sum to the totals due to rounding.

- **Bilateral public climate finance represents a significant proportion of this aggregate, provisionally estimated at USD 22.8 billion on average per year in 2013-14, representing an increase of over 50% relative to levels reported for 2011-12.**

- **Multilateral climate finance attributable to developed countries is estimated at USD 17.9 billion in 2013-14.**

- **The volume of officially supported export credits to the renewable energy sector, in addition to limited supplementary party-own reporting on export credits and amounts of private finance mobilised, is estimated at USD 1.6 billion in 2013-14.**

- **The preliminary aggregate figures of private finance mobilised by bilateral and multilateral finance, attributable to developed countries, is estimated at USD 14.7 billion in 2013-14, drawing on co-financing data and estimates from initiatives by DAC members, DFIs and MDBs.**

- **All these figures reflect the recognisable progress made in tracking climate finance across all key data providers and institutions. However, whilst this report is comprehensive in capturing the best available data, its estimate for private climate finance should be considered as partial, with varying degrees of data coverage currently available across institutions and financial instruments.**

- **From these figures it is not possible to draw general conclusions on the ability of public finance to mobilise private finance or on the balance of public and private in future flows. The extent to which mobilisation of private finance happens depends on many factors, including the enabling conditions and sector-specific policies in the recipient country, the institution providing the finance, the type of instrument, and the purpose for which public finance is being made available.**

All figures and estimates presented in this report reflect climate finance mobilised by developed countries for developing countries related to the UNFCCC USD 100 billion a year goal, following the accounting framework and working definitions outlined in Part I.

Estimates of climate finance 2013-14 by funding source

Public climate finance

Public climate finance contributions towards the USD 100 billion a year goal for 2013 and 2014 are to be submitted in developed Parties' Biennial Reports (BRs) to the UNFCCC by 1st January 2016, reflecting countries' own reporting approaches. For this aggregate reporting exercise, we draw on provisional figures collected through a survey of OECD DAC members' expected reporting to the UNFCCC together with data on multilateral finance reported to the OECD DAC by the MDBs and climate funds, a share of which is attributed to developed countries.

For information on reporting approaches and methods see Part III and Annexes A-E for details.

Bilateral climate finance

It is estimated that public climate finance contributions through bilateral channels reached in USD 23.1 billion in 2014 up from USD 22.5 billion in 2013, equivalent to a 2013-14 average of USD 22.8 billion per year, based on provisional figures provided by developed country providers of their expected reporting to the UNFCCC.

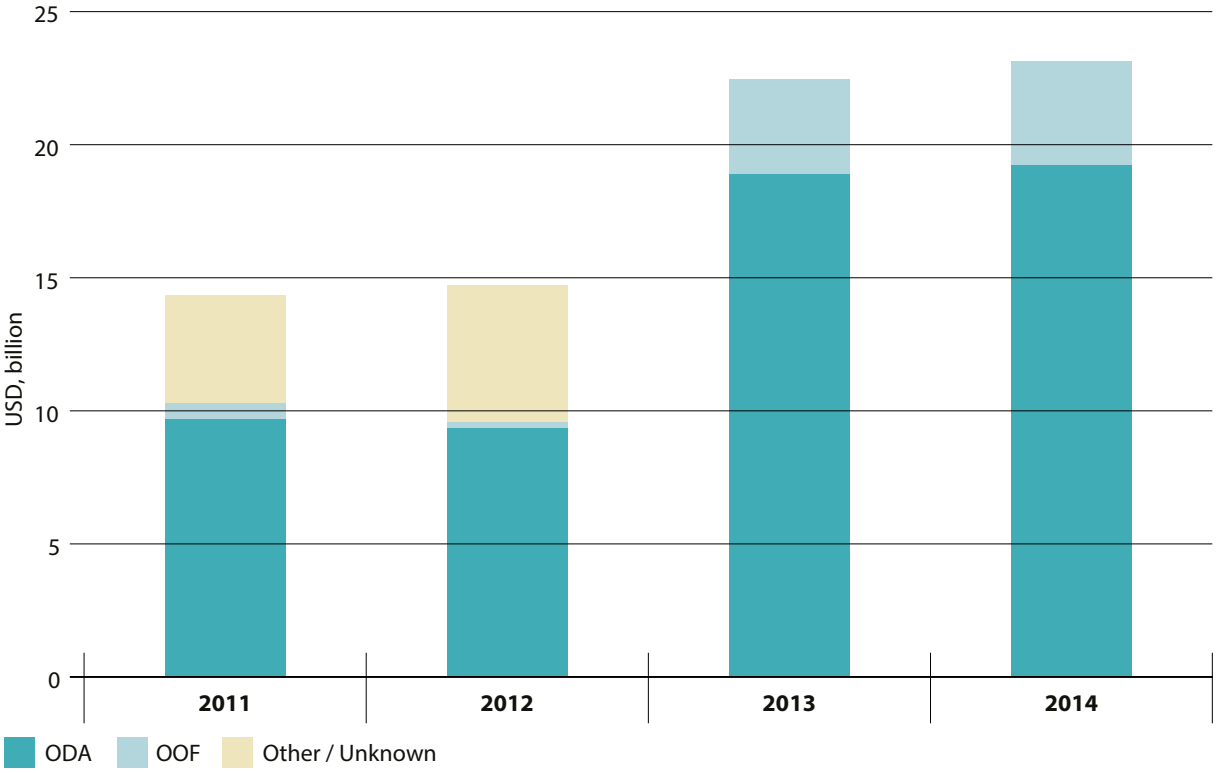
This provisional estimate of bilateral public climate finance in 2013-14 represents an increase of 57% relative to average levels reported to the UNFCCC for 2011-12, where public bilateral climate finance was estimated at USD 14.5 billion per year. Consultations with key donors (representing more than 80% of the overall increase) indicate that two key factors are: (i) real increases in budgets specifically allocated to climate change and (ii) the widening of statistical coverage as finance from a more varied range of sources is reported (e.g. Other Official Flows, mobilised capital etc.). The increase also reflects a shift in the programming of climate finance support compared to approaches under the Fast Start Finance period (2010-12), including moving beyond specific climate change funds and programmes, and a greater emphasis on the integration and mainstreaming of climate change into broader international co-operation activities.

Official Development Assistance (ODA) provided through grants and concessional loans continues to be the predominant source of bilateral public climate finance (accounting for 84% of volumes in 2013-14). It is also important to note that climate finance from ODA is lower than total climate-related ODA reported to the OECD DAC (see Part III). While Other Official Flows (OOF) are increasingly reported, their coverage may still be somewhat partial. This may lead to overestimating the true share of ODA.

Overall transparency regarding the composition of bilateral finance sources is improving. In this exercise, finance unidentified as ODA or OOF and reported as "other" is diminished compared to reporting for 2011-12 (see Figure 5). There is also an improved understanding of Party-own approaches for reporting to the UNFCCC. However, it is evident that a range of approaches are being followed with no common standards (see Part III and Annex C).

9. This estimate reflects bilateral climate finance reported by Annex II parties only for 2011-12, based on a triangulation of data sources: Parties' First Biennial Reports (BR1) to the UNFCCC, Common Tabular Reporting Formats and analysis from the UNFCCC SCF. This estimate is not comparable to the headline USD 29 billion figure presented in the UNFCCC SCF 2014 Biennial Assessment and Overview of Climate Finance as it excludes "climate-specific" and "core/general" multilateral support, in order to have comparable figures to those in this section of the report.

Figure 5: **Bilateral Public Climate Finance, 2011-14 by finance source** (USD billions)



Source: OECD analysis, 2011-12 figures based on review of UNFCCC BR1s, CTFs and UNFCCC SCF (2014), 2013-4 figures based on responses to OECD survey on expected UNFCCC reporting in BR2.

Box 1: **Climate finance from South-South providers**

Climate finance flows in multiple directions. Developing countries are not just recipients of international flows. Looking at annual global climate finance flows in 2013, more than 11% of the total represents south-south flows between different developing countries (Buchner et al., 2014). Insights from current flows, both from bilateral and multilateral providers, indicate that these flows can be significant in volume and in supporting climate action in developing countries. For example, based on statistics reported to the OECD DAC:

- The Islamic Development Bank is committed to increase its funding towards climate change objectives, providing USD 0.7 billion in 2013 through its ordinary capital resources, and,
- The United Arab Emirates (UAE) as a participant to the DAC provided USD 0.6 billion of climate-related finance on average per year in 2013-2014

Note: No South-South climate finance is included in the estimates presented in this report.

Recent developments, including related to new banks in emerging countries, suggest that south-south flows have a critical role in supporting the transition to a low-carbon, climate-resilient future:

- The New Development Bank BRICS (NDB BRICS), formerly referred to as the BRICS Development Bank, is a multilateral development bank operated by the BRICS states (Brazil, Russia, India, China and South Africa). The Bank aims to fund infrastructure and sustainable development needs across BRICS nations and developing countries and is set up to foster greater financial and development cooperation among the five emerging markets.
- The Asian Infrastructure Investment Bank (AIIB) led by China is a multilateral development bank that aims to increase the pool of multilateral development support available to regional economies for infrastructure development and improvement in Asia. In doing so, AIIB cooperates closely with existing multilateral development banks and other development partners; and its financing complements and supplements their efforts.

Multilateral climate finance

It is estimated that multilateral climate finance reached USD 20.4 billion in 2014, up from USD 15.4 billion in 2013, equivalent to USD 17.9 billion on average per year in 2013-14. This aggregate estimate captures predominately the mobilisation effect from channelling public finance through key multilateral climate funds and MDBs (see Box 2). For these estimates, this report uses as the point of measurement the multilateral agencies' committed outflows which are attributed between developed and developing countries, only counting the contribution of developed countries in the estimates. The methodology used to attribute multilateral flows to developed and developing countries is described in Part III.

Total outflows committed from the key multilateral climate funds, attributed to developed countries reached USD 2.1 billion on average in 2013-14. This captures outflows from the Adaptation Fund, the Climate Investment Funds and the Global Environment Facility (GEF) (including the GEF administered trust funds; the Least Developed Country Fund and Special Climate Change Fund), and the Nordic Development Fund. This does not reflect any pledges to the Green Climate Fund (GCF), which became operational in 2014 and consequently has no committed outflows recorded in 2013 and 2014. Going forward, significant finance is, however, expected (see Box 5).

Total climate finance outflows from the six major MDBs[10] attributed to developed countries reached USD 18.0 billion in 2014, from 12.9 billion in 2013, representing USD 15.5 billion on average in 2013-14. The rise from 2013 to 2014 reflects a bounce back from lower levels of climate finance commitments in 2013. Nevertheless, the overall 2014 level appears to be higher than the previous period, reflecting real increases as well as year-to-year volatility.

In addition, partial data available suggests that climate-specific flows from other multilateral funds and specialised UN bodies are not insignificant. These contributions are estimated from expected reporting to the UNFCCC and DAC statistics at USD 0.4 billion in 2013-14. This represents a very partial estimate, approximated on an inflow basis reflecting data unavailability on the climate-specific outflows from key funds such as the Forest Carbon Partnership Facility and organisations such as UNDP and UNEP (see Part III for further details).

Figure 6: **Multilateral climate finance attributed to developed countries in 2013-14** (USD billions)

	2013	2014	2013-14 average
Multilateral climate change funds[11] (outflows, attributed)	2.2	2.0	2.1
Multilateral Development Banks (climate finance outflows, attributed)	12.9	18.0	15.5
Specialised United Nations Bodies and other multilateral organisations (climate-specific inflows)	0.3	0.4	0.4
Aggregate multilateral climate finance	**15.4**	**20.4**	**17.9**

Source: OECD analysis drawing on OECD DAC statistics and survey of members' expected reporting to the UNFCCC.

This predominately outflow-based measurement of climate finance committed by international organisations and attributed to developed countries is different from the direct contributions (inflows) reported by Parties to the UNFCCC to date (see Part III). Direct comparisons cannot therefore be made between this aggregate estimate of mobilised multilateral climate finance and the narrower estimate of climate-specific contributions through multilateral channels[12].

10. African Development Bank (AfDB), Asian Development Bank (AsDB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Financial Corporation (IFC) and the World Bank.

11. The Adaptation Fund, the Climate Investment Funds, the Global Environment Facility (including the GEF administered trust funds, the Least Developed Country Fund and Special Climate Change Fund), and the Nordic Development Fund.

12. Comparisons with 2011 12 reporting are further complicated by the range of different reporting approaches and partial coverage used by Parties.

Box 2: **The mobilisation effect of Multilateral Development Banks**

Multilateral Development Banks (MDBs) provide development finance and associated financial services to governments, state-owned enterprises and private sector firms in pursuit of poverty reduction and other development goals, including for projects with climate co-benefits. This report focuses on six major MDBs – the World Bank Group (WBG), the Asian Development Bank (ADB), the Inter-American Development Bank (IaDB), the African Development Bank (AfDB), the European Investment Bank (EIB) and the European Bank of Reconstruction and Development (EBRD) – but there are many others. Some MDBs and international finance institutions, such as the International Finance Corporation (IFC – part of the WBG) and the EBRD, are focused on supporting private sector development, while the Multilateral Investment Guarantee Agency (MIGA, also part of the WBG) promotes foreign direct investment into developing countries.

MDBs have traditionally operated two types of financing "window" – concessional financing for the poorest countries and non-concessional financing on market terms for others – though there is considerable institutional innovation taking place which complicates this simple picture:

- **Concessional financing** is typically funded by donor country contributions, retained earnings from previous lending activity and, in some cases, transfers from sister institutions.
- **Non-concessional financing** leverages money from global capital markets on the basis of the MDBs' capital, which is typically composed of "paid-in", and "callable" capital as well as "reserves" built up over the years from income from operations. Paid-in capital is actual cash contributed by member country shareholders. Together with the reserves, it constitutes the Bank's equity. Callable capital is a contingent liability, payable in the event that the Bank is not able to meet its financial obligations. The member countries have an obligation to pay their share of the callable capital on demand at the request of the Bank's Board of Directors. The money raised by MDBs on capital markets to fund their operations is considered public finance in this report, as part of total MDB outflows.

This complex structure raises the question of how to attribute multilateral flows of climate finance to developed countries since both developed and developing countries contribute to an MDBs' resources. The methodology by which we do this is set out in Part III.

Officially-supported export credits and supplementary party reporting

The volume of officially-supported export credits to the renewable energy sector in developing countries, in addition to limited party-own reporting on export credits and associated amounts of private finance mobilised, is estimated at USD 1.6 billion[13] per year in 2013-14.

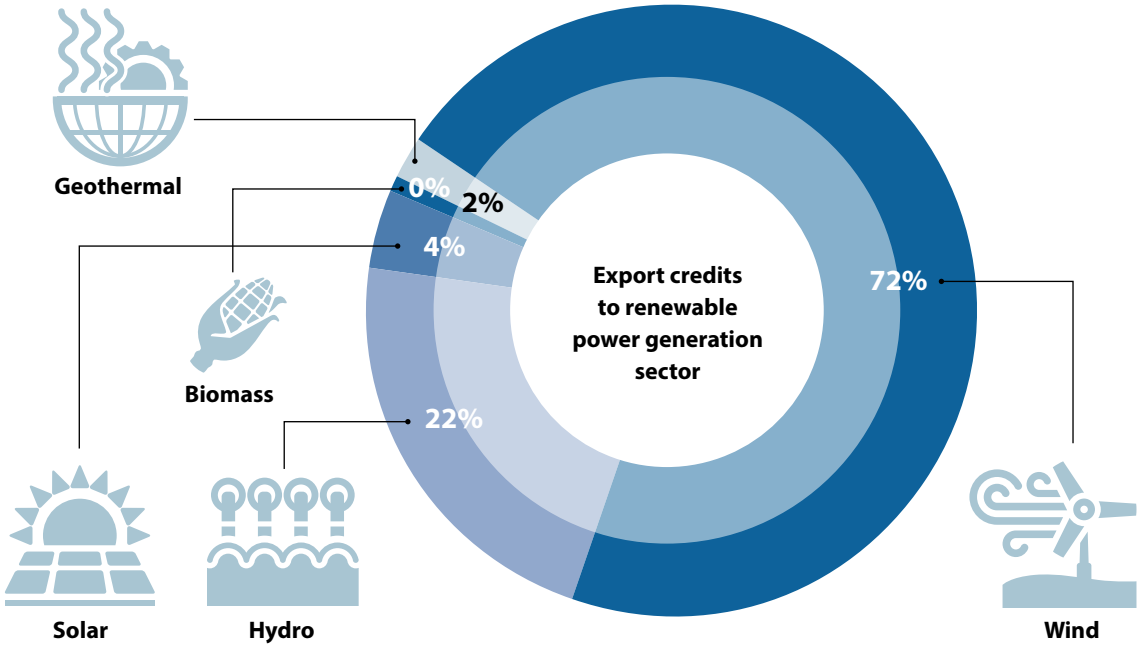
Developed countries' officially-supported export credits to the renewable energy sector for projects in developing countries reached USD 1.4 billion on average per year in 2013-14, based on provisional reporting by OECD members (see Annex A). These estimates reflect the value of any officially insured, guaranteed or directly provided credit. They are predominantly focused towards wind-technology (72%) and in middle-income countries (91%).

Whilst climate-related export credit support could involve transactions outside of the renewable energy sector, there are no readily available figures for all OECD members to estimate the extent of this support. To date, although the Arrangement on Officially Supported Export Credits (15 January 2015)[14]

13. This has been estimated to ensure no double counting between volumes of finance to the renewable energy sector based on the OECD database (USD 1.4 billion) and between party own reporting (USD 0.4 billion).

14.The Arrangement is a "Gentlemen's Agreement" amongst its Participants who represent most OECD Member Governments. The Arrangement sets forth the most generous export credit terms and conditions that may be supported by its Participants. The main purpose of the Arrangement is to provide a framework for the orderly use of officially supported export credits. In practice, this means providing for a level playing field (whereby competition is based on the price and quality of the exported goods and not the financial terms provided) and working to eliminate subsidies and trade distortions related to officially supported export credits.

Figure 7: **Officially-supported export credits to the renewable power generation sector**, 2013-14



Source: OECD Export Credits Individual Transactions Database, as of September 2015.

contains specific provisions that are meant to encourage support for renewable energy and climate change mitigation and adaptation projects, no projects outside of the renewable energy sector have been supported under these provisions.

Parties are, however, individually reporting on these flows to the UNFCCC. Canada, Japan and the United States have signalled their intentions to include reporting on climate-related export credits in their second Biennial Reports to the UNFCCC. This would include both the value of the instrument and estimates of the amounts of private finance mobilised, following their own reporting approaches. In total, reporting by these three parties is USD 0.4 billion[15] in 2013-14. (This includes export credits to renewables which have also been reported to the OECD and presented in the USD 1.4 billion figure above. This overlap has been removed in the aggregate estimate to prevent double counting.)

Private climate finance mobilised

This report presents, for the first time, an aggregate estimate of private finance mobilised by bilateral and multilateral finance (attributable to developed countries) for climate action in developing countries: USD 16.7 billion in 2014, up from USD 12.7 billion in 2013, equivalent to USD 14.7 billion on average per year in 2013-14. This estimate draws on the latest private co-financing data available from recent initiatives by OECD DAC members, bilateral development finance institutions and multilateral development banks and funds.

While the public sector plays an important role in financing climate change action, the participation of the private sector is critical to achieve the scale needed to transition to low-carbon, climate-resilient economies. A well-balanced mix of public finance, capacity building and policy interventions can mobilise private capital by providing a combination of incentives and financial support to improve the risk-return profile of climate-related investments. In this context, it is important to note that, due to data and methodological constraints, estimates of mobilised private finance presented in this report are

15. Excluding support to coal.

Box 3: **Terminology: mobilisation vs. co-finance**

The terms **mobilisation** and **co-financing** are sometimes used interchangeably when describing the relationship between public interventions and private finance. Private co-financing refers to the amount of **private finance directly associated with public finance for specific investments or projects**. While the ability to measure private co-financing mainly depends on data availability, estimating **publicly mobilised private finance** introduces the notion of causality between public interventions and the amount of private finance claimed to have been mobilised as a result of these interventions. Claiming mobilisation therefore requires demonstrating or making plausible assumptions about such causal link. For the purpose of this report, private co-financing was used as best available evidence of mobilisation, acknowledging limitations of doing so.

Analysing private finance mobilisation based on co-financing data can, on the one hand, lead to overestimating the impact of public finance at the project level given that the role of **public finance for capacity building and budgetary support** (e.g. for the development of a feed-in-tariff to support renewable energy projects) as well as of **public policies** (e.g. the feed-in-tariff) in mobilising such private finance is not taken into account. On the other hand, disregarding these public interventions means that **private finance mobilised indirectly in the absence of direct public co-finance** will not be captured, leading to an underestimation of the total.

Recent empirical research has shown the key role of renewable-energy related domestic policies as well as of **country and market conditions** for mobilising private finance at scale, alongside the direct mobilisation impact of bilateral, multilateral and domestic public finance (Haščič *et al.*, 2015). In 2013, three-quarters of global climate finance originated and was spent in the same country, which further underlines that domestic policies and enabling environments are critical drivers of investment (Buchner *et al.*, 2014). Such evidence highlights the importance of continued interventions in support of policy developments in recipient countries.

based on private co-financing directly associated with public climate finance (at the project-, activity- or fund-level) as best-available evidence for mobilisation. Private co-financing does not necessarily equate to mobilisation (see Box 3).

Although this report captures and aggregates best-available private co-financing data, the estimate presented should be considered as both preliminary and partial. While significant progress has been made over a short period of time, this was the first time that most countries, DFIs and MDBs collected such data beyond case studies or specific portfolios of projects.

The measurement and reporting of mobilised private finance is in its infancy and remains work in progress, with varying degrees of data coverage currently available across institutions and financial instruments. Figure 8 provides an overview of private co-finance data availability for different public finance instruments. It highlights relatively good coverage for debt-related public finance instruments and guarantees and less readily-available data for public equity investments, and that estimates of private finance mobilised by multilateral climate finance are likely more partial than those on the bilateral side (see further details in Annex E).

The estimates of mobilised private finance presented in Figure 9 below are split between bilateral and multilateral public finance. The latter includes private finance mobilised by both MDBs' own resources and external resources they manage on behalf of bilateral providers and dedicated climate finance funds such as the CIFs, the GEF and the IFC Catalyst Fund. This practical decision results from the format in which co-financing data is currently available. It is by no means intended to promote a comparison or suggest that there is a strict dichotomy between private finance mobilised by difference sources and channels of public finance. In practice, bilateral, multilateral as well as domestic public finance often work together, whether through blending at the fund-level or co-financing at the project-level. Hence, **the range of actors and complexity of interactions associated with mobilising private climate finance makes it statistically challenging to isolate the specific mobilisation effect of each public finance intervention**.

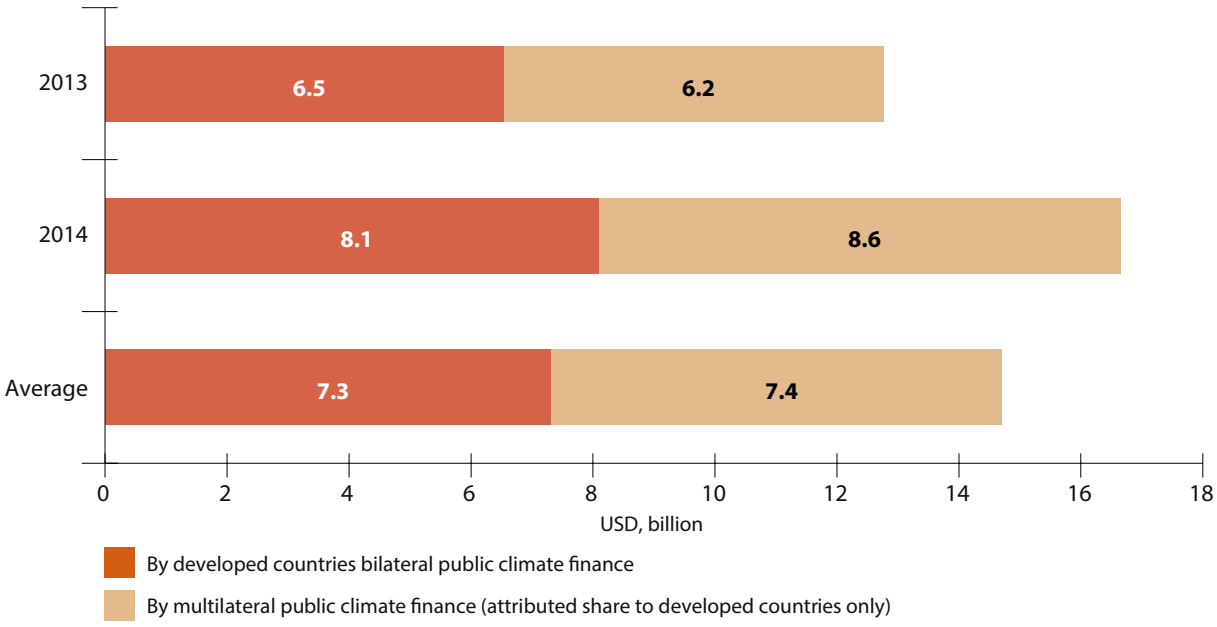
Figure 8: **Overview of current data availability of private co-financing data per public finance instrument**

	Private climate finance mobilised by…	
Public finance instruments	**Bilateral public climate finance**	**Multilateral public climate finance***
Grants		
Concessional loans		
Non-concessional loans		
Credit lines		
Direct equity		
Fund-level equity		
Guarantees		

Spectrum of data coverage				
Complete	Comprehensive	Partial	Very Partial	Unavailable

Note: * Covers MDBs' own and external resources (the latter consist of trust fund operations managed by the MDBs on behalf of bilateral providers and dedicated climate finance funds), as well as GEF-financed projects through other channels than MDBs (UN agencies and organisations in particular). This table reflects the extent and format in which data was available from data providers for the purpose of this report. It does not represent the use of these instruments by various types of actors and institutions.

Figure 9: **Estimate of private finance mobilised by developed countries through bilateral and multilateral channels** (USD billions)



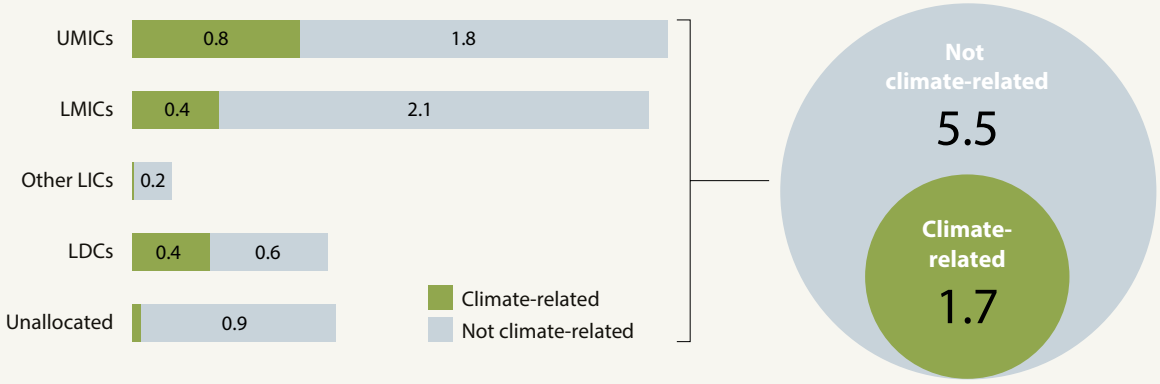
Sources: OECD analysis based on activity-level data or estimates provided by countries and their bilateral development agencies and finance institutions, MDBs and climate funds for the purpose of this report or OECD DAC data collection exercises (see Annex E for detail).

Note: Figures include private finance of all geographical origins. Amounts of private co-financing were, to the best extent made possible by current data availability, attributed to each institution at the activity-level by the OECD or the reporting entity. In doing so, the possible participation of other public co-financiers involved, from both developed and developing countries, was taken into account.

Box 4: **Potential of using public guarantees for development to mobilise private climate finance: results from recent OECD DAC Surveys**

Since 2013, the DAC has been working on the measurement of amounts mobilised from the private sector by official development finance interventions, including for climate-related activities. Based on a number of surveys, instrument-specific methodologies have been developed and data collected for three public finance instruments comprising guarantees (syndicated loans and shares in collective investment vehicles being the two others). The latest survey, launched in April 2015, targeted 72 development finance institutions, of which 51 bilateral institutions (bilateral DFIs, development banks, aid agencies) and 21 multilateral organisations. Analysis based on these survey data illustrates the leveraging potential of guarantee schemes used for development, including for climate. In 2013-14, guarantees extended for development purposes mobilised on average USD 7.2 billion per year from the private sector, of which 24% (USD 1.7 billion) was labelled as climate-related. Guarantees mainly targeted and mobilised private finance in middle-income countries. Although amounts mobilised appear relatively small in the overall picture of development and climate finance, the data show an upward trend, also for climate-related guarantees (from USD 0.2 billion in 2009 to 1.7 billion in 2014). This reflects the growing use of this mechanism by development finance providers.

Amounts mobilised from the private sector by guarantees for development, including for climate-total and per recipient country income group (USD billions, annual average, 2013-14)



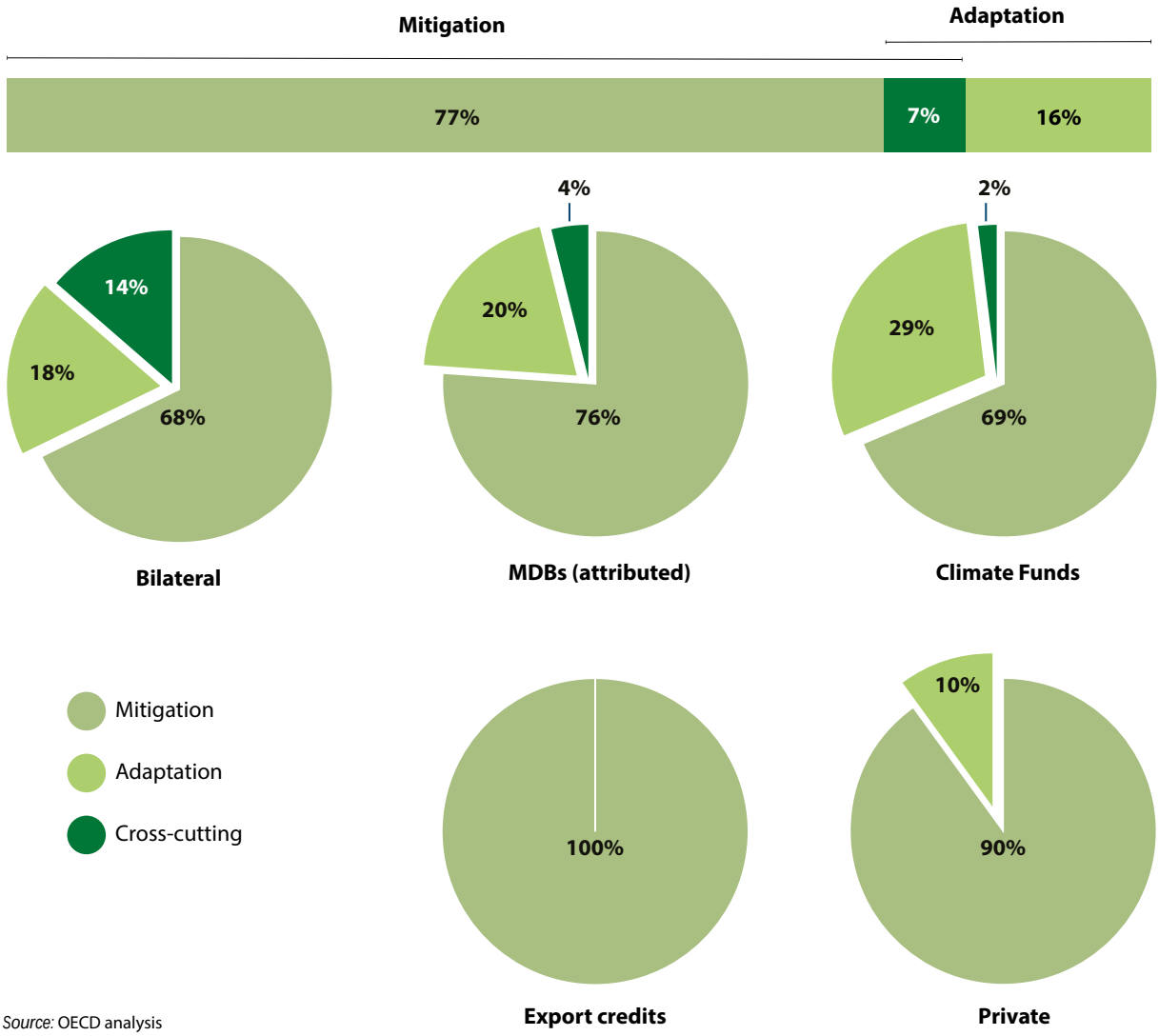
Sources: 2013 and 2015 OECD DAC surveys on amounts of private finance mobilised. *Note:* Amounts reported by multilateral organisations were not apportioned back to developed countries like elsewhere in this report. Climate-related projects were identified using either the DAC Rio markers or MDB approach. For the institutions which were not able to report on this information, all of their projects in renewable energies were considered as climate-related.

The adaptation-mitigation balance

It is estimated that mobilised climate finance in the context of the USD 100 billion a year goal reached USD 57.0 billion in 2013-14. Of this aggregate, **77% addresses climate change mitigation only, 16% climate change adaptation only, and 7% consists of activities designed to address both adaptation and mitigation**. Targeting adaptation and mitigation simultaneously reflects the potential for multiple co-benefits from jointly mainstreaming both objectives into activities, provided programmes are well designed.

More public climate finance than private finance is recorded as targeting climate change adaptation objectives (see Figure 10). This reflects that over 90% of mobilised private climate finance and finance associated with export credits that we can currently track targets mitigation-related activities. This finding is not surprising but in part relates to difficulties in tracking adaptation finance. Activities improving climate-resilience are rarely stand-alone but are mostly integrated into mainstream development interventions and business activities, for example, in the agricultural or water sectors. Due to this integration, investments in climate resilience are difficult to classify as such and therefore rarely reported as adaptation finance. The balance between mitigation and adaptation also varies across types of funder, though not substantially (i.e. mitigation still represents 65-75% of all portfolios).

Figure 10: **Mobilised Climate Finance in 2013-14**, thematic allocation



Source: OECD analysis

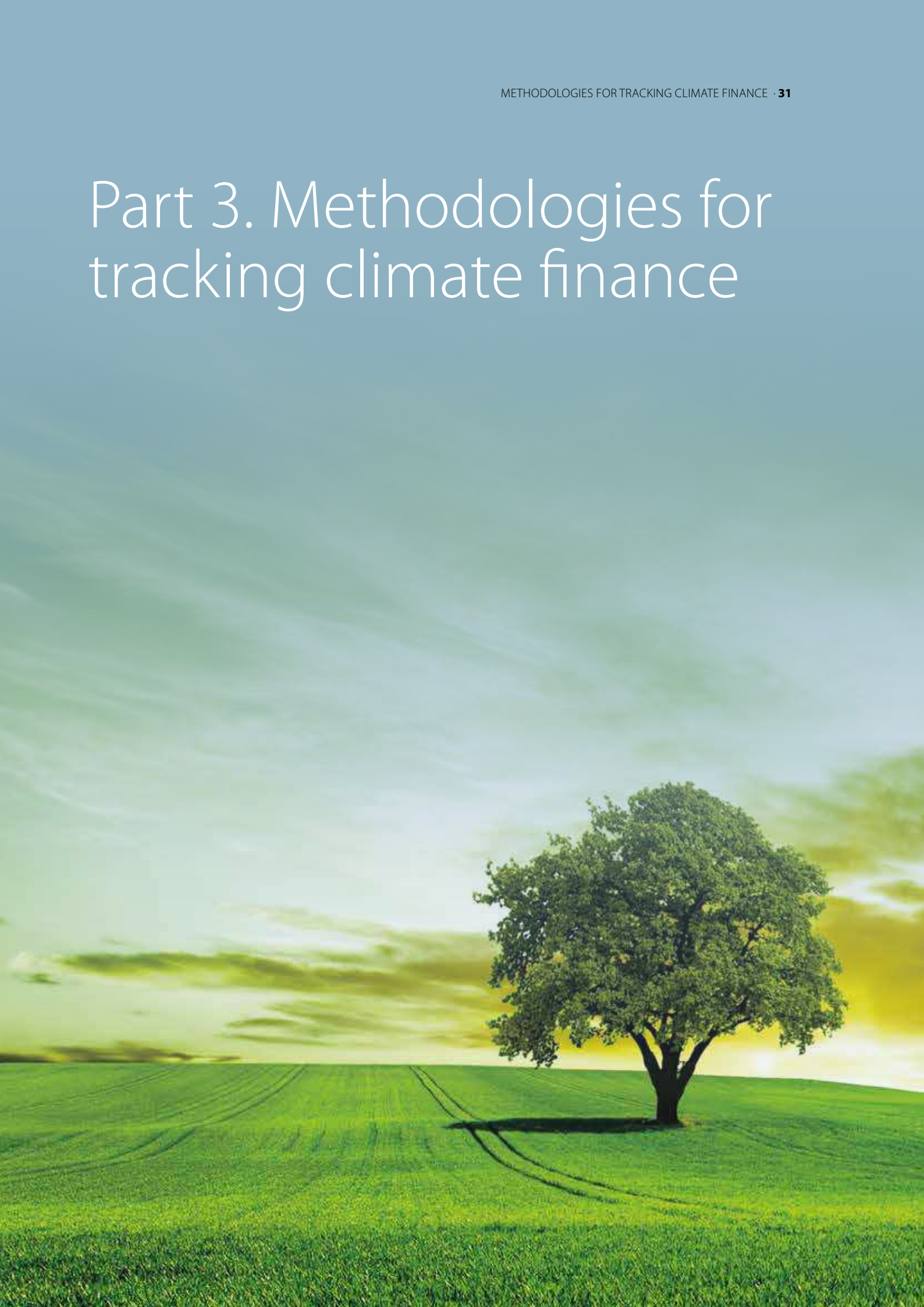
Box 5: **The Green Climate Fund and significant climate finance commitments post-2014**

The Green Climate Fund (GCF) became operational in 2014 and is an important new element of the climate finance architecture. Designated as an operating entity of the financial mechanism of the UNFCCC, its objective is to support a paradigm shift towards low-emissions and climate-resilient development pathways, by supporting developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change at scale. The GCF will channel new financial resources, and target these to catalyse public and private climate finance at international and national levels.

In 2014 developed and developing countries pledged more than USD 10 billion towards the GCF's initial capitalisation, making it the largest public climate fund in history. These pledges have not yet been disbursed into the GCF, and outflows were therefore not committed by the GCF in 2013-14. As such the GCF does not feature in the figures for climate finance in 2013-14.

The GCF will seek to balance its funding between adaptation and mitigation over time, with 50% of the funds, on a grant equivalent basis, dedicated to adaptation, half of which will target developing countries most vulnerable to the adverse effects of climate change.

Part 3. Methodologies for tracking climate finance



- **Over the past two years there has been significant momentum and progress in tracking climate finance and climate-related development finance flows.**

- **In January 2014 developed parties to the UNFCCC reported their first Biennial Reports for the years 2011-12, following for the first time a common reporting format. Whilst the current reporting guidelines are open to a variety of reporting approaches, as has been observed, these reports provide a critical starting point and benchmark for future improvements.**

- **Significant progress has and is being made towards developing common climate finance definitions. The MDBs and International Development Finance Club (IDFC) have established common principles for tracking climate adaptation and mitigation finance, and the OECD DAC has been fine-tuning the Rio marker definitions to reflect the MDB principles.**

- **The OECD DAC, in collaboration with the MDBs and other international organisations, has presented since 2014 an integrated picture of bilateral and multilateral public development finance, providing near complete coverage of public climate-related development finance, ensuring consistent accounting and no double counting.**

- **With the goal of advancing progress towards a comprehensive climate finance picture, CPI has provided since 2011 annual overviews of global climate finance flows, working closely with key actors in the climate finance tracking community.**

- **A number of new initiatives have emerged in recent years on tracking private climate finance, including the OECD-hosted Research Collaborative and efforts under the OECD DAC, MDBs and DFIs. These should result in more systematic and consistent data collection over time.**

This section outlines the methodological approaches underpinning the estimates that are presented in this report. In doing this, it also provides an overview of the latest progress in tracking climate finance, in particular for reporting to the UNFCCC, but also for developments across the OECD DAC and MDBs in the measurement and monitoring of broader climate-related finance flows which provide a foundation for UNFCCC reporting.

Climate finance reporting by developed country parties under the UNFCCC

Reporting on climate finance under the UNFCCC has developed significantly in recent years, particularly for Annex II Parties. Biennial Reports (BR), submitted for the first time in January 2014, have considerably enhanced previous reporting through the National Communications (NC) – in comprehensiveness and transparency, as well as in frequency (with BRs submitted every 2 years, and NCs every 4 years).

The existing reporting guidelines[16] and "Common Tabular Formats" (CTF) developed in 2012[17] provide no internationally-agreed definitions or methodology for basic financial reporting, or for the term "climate-specific" finance. Parties are required to explain in their reports how this is defined and provide a description of their approach for tracking financial support, which does not facilitate consistent reporting. Reviews of the first Biennial Reports for 2011-12 have shown that the guidelines leave room for interpretation and for a range of reporting approaches (Ockenden and Gaveau, *forthcoming)* and that reporting of climate support by Annex II Parties is not always entirely transparent and complete (UNFCCC, 2014, Ellis and Moarif, 2015 *forthcoming*).

The UNFCCC Standing Committee on Finance (SCF) published the 2014 Biennial Assessment and Overview of Climate Finance Flows report, which reviewed existing measurement and reporting systems for tracking a broad range of climate finance and climate-related finance flows. **The SCF made a series of recommendations to improve the measuring, reporting and verification (MRV) of climate finance which remain highly important and relevant.**

Reporting on Public Climate Finance through bilateral channels

For this report, bilateral climate finance figures have been collected from a survey of developed country climate finance providers' expected reporting to the UNFCCC in January 2016 (see Annex C for further detail on individual member reporting approaches). The survey required accelerated reporting and as such represents provisional data.

The main funding sources for bilateral public climate finance are bilateral Official Development Assistance (ODA), as well as Other Official Flows (OOF). Reflecting the existing OECD DAC international statistical standards and system for reporting on development finance, Party public climate finance reporting to the UNFCCC is often based on the OECD DAC's basic financial data collection definitions and classifications (e.g. for commitments/disbursements/exchange rates).

However there are a variety of reporting practices observed reflecting the open-to-interpretation nature of the UNFCCC reporting templates. For example, reporting can take place at different levels of aggregation or at different points of measurement, e.g. committed, provided or disbursed finance (UNFCCC, 2014). For those countries with a predominance of grants in their portfolios, the difference between commitments and disbursements is minor and would not significantly change the aggregate, whilst for countries with large multi-year loans, significant differences and fluctuations could be observed between yearly commitment and disbursement data.

The majority of OECD DAC members in their reporting to the UNFCCC draw on their standard annual reporting to the DAC on climate-related development finance, following the Rio markers definitions and eligibility criteria (see Box 7). The Rio markers were originally intended to track the mainstreaming of climate change considerations into development co-operation rather than providing a quantification

16. UNFCCC Decision 2/CP.17, Durban, 2011. http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf

17. UNFCCC Decision 19/CP.18, Doha, 2012 http://unfccc.int/resource/docs/2012/cop18/eng/08a03.pdf

Box 6: **The DAC development finance measurement framework and statistical system for monitoring development finance**

- The DAC Creditor Reporting System (CRS) provides transparent activity-level information on development finance, integrating data across a range of channels, bilateral and multilateral, to provide both a measure of provider effort and flows to recipients, whilst avoiding double counting. The CRS provides an example of how to reconcile developed and developing country perspectives to development finance, which is relevant to reporting under the UNFCCC on climate finance provided and received.

- Definitions and classifications outlined in the OECD DAC Statistical Reporting Directives (OECD, 2013) underpin consistent, comparable and transparent data collection. For example, these include reporting rules and requirements for commitments, disbursements, financial instruments, exchange rates, sector codes and points of measurement. (See Glossary for key definitions)

- The modernisation of the DAC's development finance statistics – notably the modernisation of the ODA measure and future broader measure of Total Official Support for Sustainable Development - will also apply to climate-related development finance flows. This modernised framework provides a structure for the categorisation, measurement and monitoring of climate finance and will cover a range of international sources and channels of official finance (concessional and non-concessional, bilateral and multilateral), including private finance mobilised.

Box 7: **Climate Change Rio marker definitions and eligibility criteria**

Since 1998, the DAC has monitored development finance targeting the objectives of the Rio Conventions through its Creditor Reporting System (CRS) using the "Rio markers". Markers indicate donors' policy objectives in relation to each activity, where every development co-operation activity reported to the CRS should be screened and marked as either (i) targeting the Conventions as a "principal" objective or a "significant" objective, or (ii) not targeting the objective. Activities marked as having a "principal" climate objective would not have been funded but for that objective; activities marked "significant" have other prime objectives but have been formulated or adjusted to help meet climate change concerns.

Definition of climate change mitigation: An activity should be classified as climate-change mitigation related (score Principal or Significant) if: it contributes to the objective of stabilisation of greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system by promoting efforts to reduce or limit GHG emissions or to enhance GHG sequestration.

Definition of climate change adaptation: An activity should be classified as adaptation-related (score Principal or Significant) if: it intends to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience. This encompasses a range of activities from information and knowledge generation, to capacity development, planning and the implementation of climate change adaptation actions.

In addition to these definitions, eligibility criteria also apply to guide the Rio marking of projects. Many countries and institutions have developed additional guidance to support the application of the Rio markers, as well as drawing on these definitions as a building block to develop their own approaches, i.e. CPI, IDFC and the Joint-MDBs.

The OECD DAC is committed to further develop the Rio marker methodology and system, and is working closely with the international community to "fine tune" the Rio marker definitions, eligibility criteria and guidance to support the application and improve the quality of the Rio marker data. Revisions to the reporting directives are expected in 2015/6. The OECD and its members are working in collaboration with a wide range of stakeholders including relevant international organisations in taking this work forward, in order to support the international community to enhance common reporting approaches.

Source: OECD 2011, OECD 2013a.

of finance. Given this, when reporting to the UNFCCC on climate finance, members may report only a certain share of climate-related development finance. The volume of finance associated with the Rio markers is often scaled down by using "coefficients" which differ across DAC members. These adjustments are used in particular to differentiate between finance marked as targeting climate change as a *significant* objective, reflecting that these activities have other prime objectives but have been formulated or adjusted to help meet climate change concerns. These shares range across members from 0-100% (see Annex C). There is no common reporting standard and to date there has been limited transparency regarding these practices (though this report provides greater clarity in this respect).

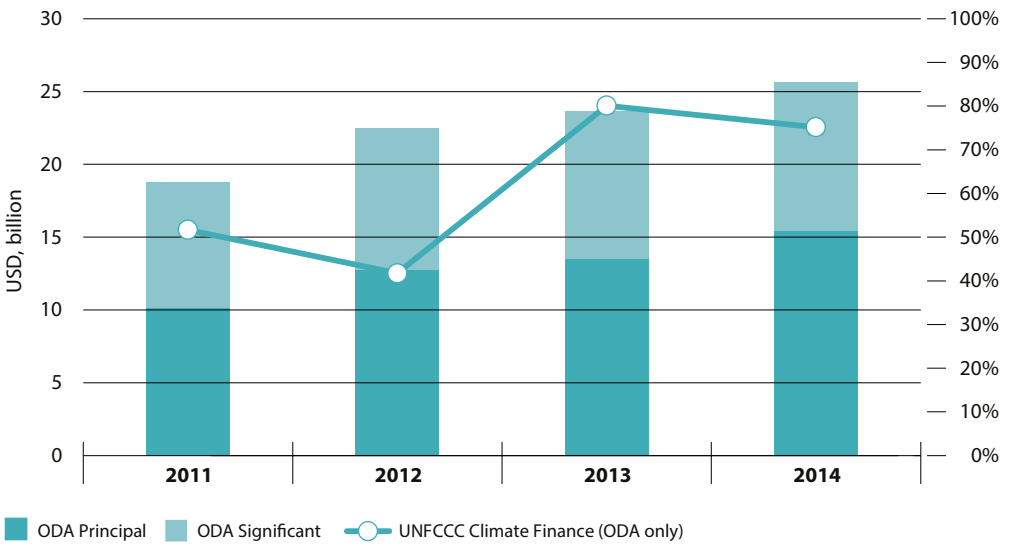
Relationship between climate finance and climate-related development finance

The figures presented in Part II and the reporting approaches outlined above relate to Parties' reporting to the UNFCCC on climate finance. This reporting includes ODA as a source of climate finance, but not all climate-related ODA is reported to the UNFCCC as climate finance. In this sub-section we explore the relationship between climate finance and total climate-related ODA.

Total bilateral climate-related Official Development Assistance commitments by members of the OECD's DAC have increased at a steady pace over the past decade and reached USD 24.6 billion on average in 2013-14, representing 20% of total bilateral ODA (provisional figures). The level of ODA targeting climate change adaptation and/or mitigation as a *principal* objective is USD 14.5 billion (59%) in 2013-4, reflecting projects that primarily focus on climate change and representing what can be considered a "lower bound" of bilateral climate-related ODA (illustrated by the lower bar in the figure below). For the remaining 41% (USD 10.2 billion), climate change considerations are a *significant* objective, indicating the mainstreaming of climate objectives into bilateral development co-operation portfolios.

Direct comparisons with ODA figures reported by Parties as climate finance to the UNFCCC are difficult to draw owing to different reporting systems and differences in the basis of measurement, in particular given party-own climate finance reporting is a mix of commitment and disbursement data (see Annex C). Crude comparisons can however be made and are informative to assess the relationship between climate finance and climate-related development finance. This report shows that preliminary bilateral climate finance in 2013-14 is USD 19.1 billion per year and is lower than total bilateral climate-related ODA, representing 78% reported to the DAC for the same period. This reflects how Party reporting, whilst often based on, is not directly comparable to climate-related development finance statistics (as outlined in the section above).

Figure 11: **Bilateral ODA Climate Finance vs. Bilateral Climate-related ODA commitments** (USD billions)



Source: OECD DAC Statistics, and OECD analysis, 2011-12 figures based on review of UNFCCC BR1s, CTFs and UNFCCC SCF (2014), 2013-4 figures based on responses to OECD survey on expected UNFCCC reporting in BR2.

Reporting on multilateral climate finance

Large volumes of climate finance support are channelled through the multilateral financial system. However, the inherent nature of un-earmarked support means it is often challenging for individual countries to report on these flows to the UNFCCC, and in particular to identify the climate-specific shares within and mobilised by their financial contributions to the MDBs and other international organisations. Resolving issues of attribution to developed countries and avoidance of double counting across Parties and across bilateral and multilateral flows is also crucial to ensuring a robust and accurate picture of total public climate finance flows.

Multilateral data can be analysed and measured from two main points of measurement:

- **Inflows to multilateral organisations;** capturing provider effort in a given year taking into account un-earmarked contributions flowing through multilateral organisations**. "**Imputed multilateral contributions" reflect climate-related inflows to multilateral organisations in a given year estimated through applying the climate-related share of an international organisation's overall portfolio to core contributions to these international organisations[18].
- **Outflows from multilateral organisations**; capturing the total funds from MDBs, reflecting finance from developed and developing country contributions as well as funds mobilised by the MDBs though ordinary capital resources (including funds they raise from the international capital market). There are a number of potential methods to attribute multilateral outflows to developed countries, the section below presents one such approach.

Individual party reporting in Biennial Reports based on inflows to multilaterals

Individual party reporting to the UNFCCC through the Biennial Reports and associated CTF tables distinguishes between contributions through multilateral climate change funds and multilateral financial institutions (including regional development banks) and specialised UN bodies, and requires a distinction to be made between "core/general" support to multilateral institutions that cannot be specified as climate-specific and "climate-specific" support.

Room for interpretation in the existing tables and guidelines has however led, in BR1, to a range of reporting approaches and coverage of multilateral flows. Ambiguity in the guidelines means some countries report "core/general" reflecting the total contribution of a country to a fund or MDB, whilst others only report on climate-specific funds. Moreover there is a range of approaches adopted by parties for estimating the climate-specific share of core/general contributions. These variations, together with limited data availability, has meant that there are severe limitations in the use of the first Biennial Reports to estimate the scale of total contributions through multilateral channels and meaningful interpretations across parties and between 2011-12 and 2013-14 reporting cannot be drawn.

Going forward, a large number of OECD DAC members highlight that they will draw on OECD DAC statistics' imputed multilateral contributions (inflow) data for the reporting of multilateral finance following recent improvements in data under the DAC (see OECD DAC, 2015). This however remains limited to the key climate funds, climate-specific organisations and MDBs. Reporting on this inflow basis does not reflect public finance mobilised by the MDBs and attributed to developed countries (see next section). Figure 12 presents total multilateral climate finance inflows as estimated in DAC statistics, reflecting OECD analysis based on data reported by multilateral development banks (MDBs) and other international organisations (i.e. the Adaptation Fund, CIFs and GEF) (see Box 8 and Annex D).

18. See technical note on Treatment of "climate" multilateral flows in DAC statistics for further information on this estimation methodology, (OECD, 2015).

Figure 12: **Multilateral Climate Finance inflows** (USD billions)

	2013	2014	2013-14 average
Total inflows (imputed multilateral contributions)	4.0	4.5	4.3
Inflows to key multilateral climate funds	1.4	1.7	1.6
Inflows to MDBs	2.5	2.7	2.6
Inflows to other climate-related international organisations (IPCC, Montreal Protocol, UNFCCC)	0.1	0.1	0.1

Source: OECD DAC Statistics (as of September 2015). *Note:* Totals do not necessarily sum owing to rounding.

Box 8: **Joint MDB approach and MDB-IDFC Common Principles for Climate Finance Tracking**

Since 2012 the joint group of MDBs has published reports on climate finance following their joint approach for tracking mitigation and adaptation finance. The approach for mitigation is based on eligibility criteria following a positive list of activities while the adaptation approach is based on an assessment of the purpose, context and activities and their links to climate vulnerability. The measurement methodology identifies the climate-component within a project and in 2013, MDBs started to report project-level climate finance data to the OECD DAC.

In March 2015, a group of MDBs[19] and the International Development Finance Club[20] adopted 'Common Principles for Climate Mitigation Finance Tracking' as a voluntary effort and established a list of activities eligible for classification as 'climate mitigation finance'. In July 2015, they adopted the 'Common Principles for Climate Change Adaptation Finance Tracking', which define the context of adaptation finance in development and lay the base for further joint work that includes addressing comparability of the reporting process and relevant process-based concepts and guidelines.

The Joint MDBs group and the IDFC are also developing standards for measuring mobilisation of private finance.

Attributing MDB mobilised outflows to developed countries

There are a number of potential methods to attribute multilateral outflows between developed and developing countries. For the purposes of this report, the approach is based on the methodology developed by the Technical Working Group of 19 bilateral climate finance providers, reflecting their common principles for reporting on mobilised climate finance (TWG, 2015). These principles (see Box 9) seek to attribute mobilised multilateral climate finance to developed country efforts recognising their core contributions, and their share of paid-in and callable capital to the MDBs.

As described in Box 2, MDBs typically operate in two modes – through concessional and non-concessional windows based in their financing structures. The attribution methodology reflects these differences.

Box 9: **Principles for attributing multilateral finance**

Climate finance mobilised by multilateral entities with complex ownership structures, such as MDBs, should be attributed to the various owners based on a methodology following a set of principles:

- The methodology should be transparent and as simple as possible.
- Only amounts that can reasonably be attributed to developed countries should be counted.
- The contributions of developed countries to the capacity of MDBs and multilateral organisations to mobilise resources should be recognised, including contributions to concessional windows and paid-in and callable capital contributions to non-concessional windows.
- The method should be dynamic; it should be relatively easy to adapt to changing circumstances as appropriate.

Source: Technical Working Group (2015).

19. African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IDB) and World Bank Group (WBG) – International Finance Corporation and the World Bank.

20. A club of 22 international, regional and national public development banks.

Concessional finance

MDB resources for their concessional windows come from contributions made during the replenishment process by countries and from retained earnings (reflows from loans and other instruments, transfers from sister organisations and interest on investments). The methodology proposed by the Technical Working Group (TWG, 2015) to attribute concessional flows is to partition these resources into those from new contributions and those related to retained earnings. Each of these is then multiplied by the share of developed country contributions in the most recent replenishment cycle (for new contributions) and the developed country share in historical replenishment rounds (i.e. all replenishments except the most recent one). The two terms are then added together and the resulting fraction is then used to calculate the developed country share of the total climate finance flow from that window or entity for the relevant year by simple multiplication. Based on OECD analysis, the weighted average developed country share of total MDB outflows from concessional windows is estimated at 95%. Further details are provided in Technical Annex F, by the Technical Working Group (TWG, 2015)[21].

Non-concessional finance

The terms on which MDBs can borrow is influenced by their credit ratings, which depend on their stand-alone financial strength, their paid-in capital and their callable capital amongst other factors. The extent to which each MDB's rating benefits from callable capital varies, and the degree of reassurance provided by callable capital is related to the sovereign credit rating of the countries providing that capital. For this report, it is assumed that only callable capital from countries that are highly rated (i.e. A or above) is effective in strengthening an MDB's stand-alone financial strength.

The TWG method takes into account both paid-in capital of the MDB and its callable capital, where the sovereign credit rating of the country providing it is above a certain threshold. The share of flows attributable to developed countries is then determined by calculating the value of paid in capital plus a fraction of eligible callable capital. This is first calculated for the developed countries that are shareholders of that MDB, and then subsequently for all shareholders. The ratio of these two quantities provides an estimate of the share of non-concessional MDB finance that might reasonably be attributed to developed countries. Clearly this will vary depending on the fraction of callable capital considered and threshold credit rating assumed. For the estimates reported, a fraction of 10 percent of the callable capital for countries with a sovereign credit rating of A or above is assumed[22]. Based on OECD analysis, the weighted average developed country share of total MDB outflows from non-concessional windows is estimated at 78%. Further details are provided in Technical Annex F, by the Technical Working Group (TWG, 2015).

Approach for estimating developed country shares of finance from MDBs

The figures below present total multilateral climate finance outflows as recorded in DAC statistics[23] (with adjustments to reflect the exclusion of coal-related finance and inclusion of UNFCCC non-Annex II party recipients, as outlined in the accounting framework, in Part I). These statistics reflect OECD analysis based on data reported by multilateral development banks (MDBs) and other international organisations (i.e. the Adaptation Fund, CIFs, GEF, and the Nordic Development Fund). These data are integrated into the OECD DAC statistical system, reconciling bilateral and multilateral finance figures to avoid double counting (see Annex D for further information).

21. This methodology aims to take account of changes in the relative contribution of countries providing funding over time. In cases where this funding profile in terms of relative country contributions has been stable over time, the calculation reduces to a far simpler one based on the developed country share of cumulative contributions over time. This provides a useful benchmark, particularly since the data to perform the more complex calculation are not easily, transparently and consistently available from public sources. To facilitate transparency, we present the results of both approaches in a supplementary technical annex.

22. The way in which the developed country share changes with the fraction of callable capital chosen is complex and depends on the financial structure of each individual MDB. The share is typically smaller for smaller values of the fraction chosen. So choosing a higher fraction than 10% would result in higher estimates. In other words, we use a relatively conservative value for the fraction of eligible callable capital counted. Typically, the share will be very sensitive to the precise value of the fraction when it is small and vice versa.

23. See technical note on Treatment of "climate" multilateral flows in DAC statistics for further information on this estimation methodology, (OECD, 2015).

Figure 13: **Multilateral Climate Finance outflows, un-attributed and attributed to developed countries** (USD billions)

	2013	2014	2013-14 average
Total outflows (un-attributed)	17.7	23.8	20.7
Outflows from key multilateral climate funds	2.2	2.0	2.1
Outflows from 6 major MDBs	15.6	21.8	18.7
	2013	2014	2013-14 average
Total outflows (attributed)	15.2	20.0	17.6
Outflows from key multilateral climate funds, attributed	2.2	2.0	2.1
Outflows from 6 major MDBs, attributed	13.0	18.0	15.5
Share of total attributed outflows relative to total outflows (unattributed)	86 %	84%	85 %

Source: OECD DAC Statistics (as of September 2015), and OECD analysis to exclude coal-related finance, include non-Annex I party recipients, and the application of MDB attribution methodology (see Annex F for further information).Note: Totals do not necessarily sum owing to rounding.

Reporting on officially supported export credits

For this report, data has been drawn from the OECD's export credits individual transaction database, which monitors officially supported export credits in conformity with the terms and conditions of the Arrangement (i.e. it does not include any export credits from official sources that were not provided in conformity with the Arrangement). The figures from the OECD database reflect the value of any insured, guaranteed or directly provided credit (flow) that has been provided in in 2013 and 2014. Total project costs are not reflected, nor amounts of private finance that could have been mobilised beyond the guaranteed value itself. There are risks of double counting between activities that receive both export credit and other public climate finance support. These overlaps have not been explored in this project and such treatment of export credits and guarantees is an area for future consideration.

The OECD Secretariat has explored the feasibility of presenting high-level aggregates for climate-relevant sectors drawing on this database and concluded that it is only possible to present data on renewable energy generation to developing countries (given that it is a sector that can be un-contentiously assigned as climate-relevant). Beyond this sector it is not currently possible to identify what is climate-related, given that there are no climate markers or definitions within this database. Whilst there is need to further improve data methodologies and coverage with respect to climate-related export credits, it is worthwhile noting that the potential role of official export credits in overall climate finance is most likely to be modest. The average annual volume of official export credits to lower- and middle-income countries in sectors that could be considered relevant to climate change[24] only amount to around USD 12 billion in 2013 and 2014 (excluding the renewable energy sector).

Reporting on private climate finance mobilised

A range of stakeholders within the climate and development communities are making increased efforts to collect data and define methodologies to improve the measurement and reporting of publicly-mobilised private climate finance. These include, notably:

- The development of a common understanding by a group of 19 bilateral climate finance providers of the scope of mobilised private climate finance (TWG, 2015) and a common methodology for tracking and reporting towards the USD 100 billion a year goal, building upon the work conducted under the OECD-hosted Research Collaborative on Tracking Private Climate Finance[25].

24. Approximation based on sub-set of data, excluding sectors that are considered non-mitigation/adaptation relevant, e.g., ships, aircraft, fossil fuel power, to estimate the total portfolio that have some climate benefit/relevant, but where there is no information to infer what share could be considered climate-related.

25. http://www.oecd.org/env/researchcollaborative

- The collaborations, methodological work and data collection undertaken by the joint-MDB group (*International Finance Consulting*, 2015), and a group of bilateral DFIs[26] (*Stumhofer et al.*, 2015) to measure private finance mobilised by their climate finance interventions.

- The OECD DAC's statistical work towards developing instrument-specific methodologies and collecting activity-level data on amounts mobilised from the private sector by bilateral and multilateral official development finance interventions (OECD DAC, 2015)[27].

- A number of on-going pilot studies by individual countries that provide development finance, of private finance they mobilise for climate action in developing countries.

Overview of the calculation methodology for this report

The OECD-hosted Research Collaborative on Tracking Private Climate Finance developed a four-stage framework, which steps through key decision points and corresponding methodological options for estimating publicly mobilised private climate finance (*Jachnik, Caruso and Srivastava*, 2015). Examples of key decisions include defining public and private finance, scoping private finance accounting boundaries, assessing causality (between public interventions and private finance) and deciding on an attribution method (where multiple public actors are involved). Three points of particular importance are highlighted in Figure 14.

Figure 14: **Selected methodological points and related limitations**

Decision point	Methodological option used	Comment and limitations
Defining public and private finance	Based on the principle of majority ownership of the entity providing the finance	The principle is in line with development finance (OECD DAC, 2013) and foreign direct investment statistics (OECD, 2009). It was applied to the best extent made possible by available data. There are, however, possible grey areas in the context of climate finance reporting under the UNFCCC, such as mixed public-private equity funds, or state-owned enterprises (e.g. water or energy utilities) and banks operating under purely commercial terms. Should financing by such actors be reported as public or (if appropriate) mobilised public or private finance? Such questions, including for developing countries actors, require further consensus building.
Assessing causality between public interventions and private finance	Use private co-financing best-available evidence of mobilised private finance	Due to current data and methodological limitations, this report uses private co-financing as best-available evidence of mobilisation, acknowledging the limitations of doing so. Further work is required to take account of the effect of public finance for project demonstration, capacity building and budgetary support, and of public policies. In doing so particular attention needs to be paid to risks of double counting when estimating amounts of private finance mobilised by such a wider range of public interventions.
Attributing mobilised private finance	Attribute among public actors involved using volume-based pro rating	Avoiding double counting across datasets used implied making a volume-based pro-rata attribution of private co-finance at the activity-level. This approach took into account the co-financing provided by all public actors involved from both developed and developing countries. While pure volume-based pro-rating was the only practical option in the short term, improved methodologies could seek to take into account instrument-specific characteristics such as respective risk and concessionality levels.

Where activity-level co-financing data was available, it was possible to adjust the data to reflect the above three points and the accounting framework introduced in Part I. Methodological consistency across the numerous datasets and estimates was, however, not always possible, owing to characteristics embedded in the data itself (e.g. use of OECD DAC Rio markers or MDB positive lists, coverage of fiscal/calendar years), and also due to data limitations. For instance, information about the identity of private co-financers was almost never available. This precluded verifying whether, in the context of grey zones mentioned in Figure 14, co-financers had been labelled as public or private in accordance with the

26. AFD (France), JICA (Japan), KfW (Germany), OPIC (United States), BIO (Belgium), CDC (United Kingdom), COFIDES (Spain), DEG (Germany), FINNFUND (Finland), FMO (Netherlands), IFU (Denmark), Norfund (Norway), OeEB (Austria), Proparco (France), SBI-BMI (Belgium), SIFEM (Switzerland), SIMEST (Italy), SOFID (Portugal), SWEDFUND (Sweden)

27. http://www.oecd.org/dac/stats/mobilisation-effect-of-public-development-finance.htm

majority ownership principle. It also prevented an investigation of the geographical origin of private co-finance to inform the extent to which public climate finance is mobilising international sources of capital whilst also supporting domestic private investments, for instance through the use of credit lines[28].

Private finance mobilised by bilateral public climate finance channelled through multilateral funds and banks was, for the most part, captured in co-financing datasets from MDBs, which include external public resources they manage. So as to avoid double counting, these amounts were excluded from aggregate estimates of private finance mobilised by bilateral finance.

Although not reported here since the focus is on private finance mobilised by developed countries, the role played by developing country public finance (e.g. national development banks) was taken into account in producing the estimates presented in this report via the volume-based pro-rating attribution approach described above.

Methodological issues and future work

Beyond the issue of private co-financing data availability and coverage, which on-going efforts by countries, public development finance institutions, and the OECD DAC will progressively help resolve, further methodological work is required to improve measurement and reporting of mobilisation at the international level. Alternatives to equating mobilisation with co-financing and to attribution solely using volume-based pro-rating are and will be further explored. This can for instance be done by taking into account levels of concessionality of as well as risk covered and role played by each public intervention and actor.

The OECD DAC has, for instance, already developed methodologies and collected survey data for measuring private finance mobilised by guarantees (see Box 6), syndicated loans and equity shares in funds, taking an instrument-specific approach in terms of causality assumptions and attribution rules. Next steps involve similar work for mezzanine finance, direct equity investments, credit lines and traditional concessional finance (in consultation with development finance institutions), as well as more systematic data collection and reporting from 2017 onwards. Development finance institutions themselves are also pursuing improved data coverage and methodologies in the context of joint work conducted under the IDFC and joint-MDB group.

Box 10: **CPI's Landscape of Climate Finance reports**

Over the last years, CPI's *Landscape of Climate Finance* reports have played a growing role informing policy makers about the global state of climate finance. In 2014, for the first time, the Intergovernmental Panel on Climate Change (IPCC) considered climate finance and investment in its 5th Assessment Report (Gupta et al. 2014), relying heavily on *Landscape 2013* analysis. These reports aim to capture the most recent information about global, annual climate finance flows supporting emission reductions and climate resilience based on empirical data collected from a wide range of public and private sources. As well as a survey distributed to DFIs to collect project-level information about their investments, CPI combines project-level and aggregate data from a variety of sources, excluding some financial data from select sources and secondary market transactions to avoid double counting to the extent possible. From the beginning in 2011, the main goal of these reports was to stimulate thinking and action on next steps in developing a comprehensive / transparent tracking system that ultimately helps countries learn how to spend money wisely. For this purpose, CPI is workings closely with key stakeholders in the climate and development community, including the OECD, the MDBs, the IDFC, the UNFCCC, donors and countries to support progress towards a more comprehensive climate finance picture.

28. Assigning a geographical origin to private finance can be based the FDI statistics approach, which rely on the residence principle as defined under the balance of payments. In practice, this can be technically challenging to apply and may not yield meaningful results due to the prevalence of financial sector intermediaries, special purpose entities, or commercial banks associated with several geographies (Caruso and Jachnik, 2014). Smaller-scale finance (e.g. in small enterprises and households) would likely prove easier to assign.

Part 4. Lessons learned and conclusions

Following the recommendations of the UNFCCC Standing Committee on Finance (SCF) in its 2014 *Biennial Assessment and Overview of Climate Finance Flows Report*, efforts by the international community to improve climate finance tracking and reporting have gathered momentum on the part of Parties, OECD members, MDBs and the IDFC as well as within the OECD (the DAC and the OECD-hosted Research Collaborative), CPI and other institutes.

This report has built on these efforts and, based on a major bespoke data gathering exercise, provides a transparent and up-to-date assessment of the current status of climate finance in relation to the commitment by developed countries to mobilise USD 100 billion per year by 2020 for climate action in developing countries. This exercise was only possible due to significant data gathering efforts by a wide range of actors over a short period of time.

The key conclusion is that there is significant progress towards the USD 100 billion goal. We estimate the aggregate volume of public and private climate finance mobilised by developed countries for developing countries reached USD 61.8 billion in 2014, up from USD 52.2 billion in 2013, with an average for the two years of USD 57.0 billion per year in 2013-14. Bilateral climate finance forms the largest source of finance over this period, and is significantly higher in 2013-14 than reported in 2011-12 owing both to real increase in finance as well as increase in reporting coverage.

Methodologies for measuring and reporting on climate finance are improving. This report builds on progress towards developing common climate finance definitions and accounting methodologies enabled by a group of 19 bilateral climate finance providers, the MDBs, the IDFC and OECD initiatives. It contributes to this process by applying a transparent accounting framework to the most recent data available and presenting preliminary partial estimates of mobilised private climate finance, in the form of private co-financing data associated with public finance interventions.

The lessons learned from conducting this exercise may be helpful in informing efforts to further improve the transparency and comprehensiveness of climate finance measuring, tracking and reporting. In particular, three issues appear significant in this context:

- **Convergence towards common and transparent definitions, methodologies and reporting approaches** helps ensure consistency and comparability of data. It is important to continue to build on ongoing efforts across the climate finance tracking community to harmonise accounting methodologies and standardise reporting and to further shed light on what constitutes climate finance, and particularly mobilised climate finance. In addition, a better understanding of how to account for policy-related public interventions is needed, as domestic policy frameworks and wider enabling environments for investment are critical drivers of investments. The OECD and CPI will continue advancing their work in these fields.

- **Improving transparency and accountability in reporting on climate finance.** Some progress has been made by countries and institutions to increase transparency on what they today report as climate finance. There is potential to exploit further synergies with existing statistical systems that contain project-level detail, by provider country and institution, and this could further enhance transparency and accountability in the reporting of climate finance. Exploiting these synergies could also help address the challenge in monitoring progress in mainstreaming climate change into development planning and of the implications for climate finance.

- **Making advances on multiple fronts in a co-ordinated way.** Further improvements in monitoring and reporting on climate finance depend on continued and coherent advances in the transparency, comparability and comprehensiveness of climate finance data across countries and institutions.

Progress is being made on data, tracking and methodologies for estimating, in a transparent and comprehensive manner, climate finance in relation to the USD 100 billion goal. Inevitably, it will take time and considerable hard work before the remaining methodological issues are adequately addressed and data are systematically and consistently collected. The OECD and CPI remain committed to improving the understanding and transparency of climate finance, and working with the international community on these issues.

Annex A: "Developed country" providers and coverage of bilateral climate finance sources included in 2013-14 aggregate estimates

Classification of "developed country" and other participating providers of climate finance:
This includes the 24 UNFCCC Annex II Parties[29] together with a number of OECD DAC members that voluntarily asked to be part of this exercise – the Czech Republic, Poland, the Slovak Republic and Slovenia, hereafter referred to collectively as "developed countries".

29. The UNFCCC Annex II Parties are those that are required to provide financial resources to enable developing countries to undertake emissions reduction activities under the convention and to help them adapt to adverse effects of climate change, and who are required under the convention to provide information on financial resources provided. This does not include Turkey who was removed from the Annex II list in 2001 at its request to recognise its economy as a transition economy. The Annex II list is narrower than the OECD DAC membership.

Coverage of "developed country" funding sources:

	ODA	OOF	Renewable Energy – from OECD database	Individually reported (inc in expected UNFCCC reporting)	See Annex E for further details on instruments and data sources	
Country	**UNFCCC Public Climate Finance reported in BR2**		**Export Credits**		**Bilateral Private Climate Finance**	**Inclusion of coal finance[30,31]**
Australia	✓	✓				✘
Austria	✓	✓	✓			✘
Belgium	✓	✓	✓		✓	✘
Canada	✓			✓	✓	✘
Czech Republic	✓		✓			✓[32]
Denmark	✓		✓			✘
EU Institutions	✓					✘
Finland	✓				✓	✘
France	✓	✓	✓		✓	✘
Germany	✓		✓		✓	✘
Greece	✓					✘
Iceland	✓					✘
Ireland	✓					✘
Italy	✓	✓	✓			✘
Japan	✓	✓		✓	✓	✓ (reported separately from aggregated figures)
Luxembourg	✓	✓				✘
Netherlands	✓				✓	✘
New Zealand	✓					✘
Norway	✓				✓	✘
Poland	✓		✓			✘
Portugal	✓				✓	✘
Slovak Republic	✓					✘
Slovenia	✓					✓[32]
Spain	✓	✓	✓		✓	✘
Sweden	✓		✓		✓	✘
Switzerland	✓		✓		✓	✘
United Kingdom	✓				✓	✘
United States	✓	✓		✓	✓	✘

30. To the best of our ability we have excluded all finance relating to coal projects from this aggregate estimate.

31. 1) Japan and Australia consider that financing for high efficiency coal plants should also be considered as a form of climate finance. The aggregate estimates presented in this report exclude any such financing. 2) Developing countries including several major emitting countries have placed highly efficient coal-fired power generation as climate mitigation measures in their Intended Nationally Determined Contributions submitted to the UNFCCC.

32. Figures separated and not included.

Annex B: UNFCCC Non-Annex I[33] & OECD DAC ODA-eligible recipients[34]

Countries and territories listed both in UNFCCC Non-Annex I and as OECD-DAC eligible recipients		
Afghanistan	Gambia	Nigeria
Albania	Georgia	Niue
Algeria	Ghana	Pakistan
Angola	Grenada	Palau
Antigua and Barbuda	Guatemala	Panama
Argentina	Guinea	Papua New Guinea
Armenia	Guinea-Bissau	Paraguay
Azerbaijan	Guyana	Peru
Bangladesh	Haiti	Philippines
Belize	Honduras	Rwanda
Benin	India	Saint Lucia
Bhutan	Indonesia	Saint Vincent and the Grenadines
Bolivia	Iran	Samoa
Bosnia and Herzegovina	Iraq	Sao Tome and Principe
Botswana	Jamaica	Senegal
Brazil	Jordan	Serbia
Burkina Faso	Kazakhstan	Seychelles
Burundi	Kenya	Sierra Leone
Cabo Verde	Kiribati	Solomon Islands
Cambodia	Kyrgyzstan	Somalia
Cameroon	Lao People's Democratic Republic	South Africa
Central African Republic	Lebanon	South Sudan
Chad	Lesotho	Sri Lanka
Chile	Liberia	Sudan
China (People's Republic of)	Libya	Suriname
Colombia	Madagascar	Swaziland
Comoros	Malawi	Syrian Arab Republic
Congo	Malaysia	Tajikistan
Cook Islands	Maldives	Tanzania
Costa Rica	Mali	Thailand
Côte d'Ivoire	Marshall Islands	Timor-Leste
Cuba	Mauritania	Togo
Democratic People's Republic of Korea	Mauritius	Tonga
Democratic Republic of the Congo	Mexico	Tunisia
Djibouti	Micronesia	Turkmenistan
Dominica	Moldova	Tuvalu
Dominican Republic	Mongolia	Uganda
Ecuador	Montenegro	Uruguay
Egypt	Morocco	Uzbekistan
El Salvador	Mozambique	Vanuatu
Equatorial Guinea	Myanmar	Venezuela
Eritrea	Namibia	Viet Nam
Ethiopia	Nauru	Yemen
Fiji	Nepal	Zambia
Former Yugoslav Republic of Macedonia	Nicaragua	Zimbabwe
Gabon	Niger	

33. http://unfccc.int/parties_and_observers/parties/non_annex_i/items/2833.php

34. http://www.oecd.org/dac/stats/daclist.htm

Countries and territories only listed in UNFCCC Non-Annex I		
Andorra	Kuwait	San Marino
Bahamas	Oman	Saudi Arabia
Bahrain	West Bank and Gaza Strip	Singapore
Barbados	Qatar	Trinidad and Tobago
Brunei Darussalam	Korea	United Arab Emirates
Israel	Saint Kitts and Nevis	
Countries and territories only listed as OECD-DAC eligible recipients		
Belarus	Saint Helena	Ukraine
Kosovo	Tokelau	Wallis and Futuna
Montserrat	Turkey	West Bank and Gaza Strip

Annex C: Reporting coverage and approaches for public bilateral climate finance (2013-14)

	ODA	OOF	Commitment	Disbursement (Provided)	Calendar Year	Fiscal Year	OECD DAC Rio Markers	MDB Adaptation 3-step appraoch	MDB Mitigation Positive list/ IDFC Common Principles	ODA Eligible Countries	UNFCCC Non-Annex I Parties
	Coverage		Point of Measurement				Climate Definition			Recipient Definition	
Australia	✓	✓		✓		✓	✓			✓	
Austria	✓	✓	✓		✓		✓			✓	
Belgium	✓	✓		✓	✓		✓			✓	
Canada	✓			✓		✓	✓			✓	✓
Czech Republic	✓			✓	✓		✓			✓	
Denmark	✓		✓		✓		✓			✓	
EU Institutions	✓	✓	✓		✓		✓			✓	
Finland	✓			✓	✓		✓			✓	
France	✓	✓	✓		✓		✓*	✓	✓	✓**	
Germany	✓	✓	✓	✓	✓		✓			✓	
Greece	✓			✓	✓		✓			✓	
Iceland	✓		✓		✓		✓			✓	
Ireland	✓			✓	✓		✓			✓	
Italy	✓	✓	✓	✓	✓		✓			✓	
Japan	✓	✓	✓*	✓**	✓		✓				✓
Luxembourg	✓	✓		✓		✓	✓			✓	
Netherlands	✓			✓	✓		✓			✓	
New Zealand	✓			✓	✓		✓			✓	
Norway	✓			✓	✓		✓			✓	
Poland	✓			✓	✓		✓			✓	
Portugal	✓	✓	✓		✓		✓			✓	
Slovak Republic	✓		✓		✓		✓			✓	
Slovenia	✓			✓	✓		✓			✓	
Spain	✓	✓		✓	✓		✓			✓	
Sweden	✓			✓*	✓		✓				✓
Switzerland	✓			✓	✓		✓			✓	
United Kingdom	✓			✓	✓					✓	
United States	✓	✓	✓			✓				✓	✓

Source: Data in this annex is drawn from a survey sent out to donors in the context of the DAC ENVIRNOET-WP-STAT Task Team as well as from bilateral exchanges with individual donors.

Activity-level component approach	Coefficient on Rio marker "Principal"	Coefficient on Rio marker "Significant"	Cash Value	Budgetary Finance / Grant Equivalent	Activity level	Aggregate or semi-aggregates	
Quantification			Valorisation of Instrument		Format of data		Additional Notes
✓	100%	30%*	✓			✓	*Activity-level coefficients used where feasible, where not, a 30% coefficient is applied.
	100%	50%	✓			✓	
	Range of coefficients		✓		✓		
	100%	Most relevant*	✓			✓	*"Significant" activities screened and most climate-relevant are counted
	100%	100%	✓		✓		Approximated based on OECD DAC Rio marker data
	100%	50%	✓		✓		
	100%	40%	✓			✓	
	Range of coefficients		✓			✓	2014 figures approximated based on provisional 2013 figures.
✓	100%	40%	✓		✓		* For Fasep/Rpe: a hybrid system is used based on the MDB/IFC positive list and the Rio Markers (100% coefficient for "principal", 40% for "significant") **ODA-eligible excl. Annex I.
	100%	50%	✓	✓*	✓	✓	*Figures provided for transparency for budgetary finance. The figures which fed into the aggregate are based on cash value
	100%	100%	✓		✓		
	100%	100%	✓			✓	2014 figures approximated based on final 2013 figures
	100%	50%	✓			✓	
	100%	40%	✓			✓	
	100%	100%	✓			✓	* for loans and grants **for technical assistance
	100%	100%	✓			✓	
	100%	40%	✓			✓	
	100%	30%*	✓			✓	*default, unless an activity-specific coefficient is available
	100%	100%	✓			✓	
	100%	100%	✓		✓		
	100%	0%	✓			✓	
	100%	100%	✓		✓		Approximated based on OECD DAC Rio marker data
	100%	100%	✓		✓		Approximated based on OECD DAC Rio marker data
	100%	20%-40%*	✓		✓	✓	* Activities targeting climate mitigation or adaptation as a significant objective (only) are accounted as 20% and operations targeting both mitigation and adaptation as a significant objective are accounted as 40%
	100%	40%	✓		✓		* Data used in this report reflects disbursements, as per Sweden's expected UNFCCC CTF table 7b. In the narrative part of its reporting, Sweden however includes commitment and disbursement data.
	51-100%	1-50%	✓			✓	
	n/a	n/a	✓		✓	✓	Uses own approach
	n/a	n/a	✓			✓	Uses own approach

Annex D: Coverage of multilateral climate finance in OECD DAC Statistics (2013-14)

OECD's Development Assistance Committee (DAC) statistics capture an integrated picture of both bilateral and multilateral climate-related external development finance flows. This increases transparency through the collection and publication of detailed activity-level information, avoids double counting and supports consistency and robustness through the use of a statistical system with standardised definitions and bases of measurement.

The table reflects the coverage of reporting to the OECD DAC by MDBs based on the MDB Joint Approach (see Box 6) and multilateral funds, and reflects how data has been integrated and reconciled to ensure consistent points of measurement[35] and geographical coverage (for further information see technical annexes published online).

35. i.e. data were converted to USD dollars using the OECD annual average exchange rate, and standardised for calendar year and geography.

36. To the best of our ability we have excluded all finance relating to coal projects from this aggregate estimate.

37. Data for 2013 were approximated for AsDB based on the Joint MDB reporting, 2014.

38. EIB data reflect concessional and non-concessional projects. The concessionality of a loan is determined at the moment of the first disbursement, and so given the data are based on commitments, it is not possible to distinguish between concessional and non-concessional instruments at this stage.

	Coverage		Point of measurement				Climate definition and quantification			Geographical coverage	
	Concessional	Non-Concessional	Commitment/ Approval	Disbursement	Calendar Year	Fiscal Year	OECD DAC Rio markers	Joint MDB Principles & Component approach	Exclusion of Coal[36] (data excluded in Part II) n/a = no coal generation-related activities included in climate finance figures	ODA-eligible countries	UNFCCC Non-Annex I Parties (additional data included in Part I)
African Development Bank		✓	✓		✓			✓	✓	✓	
African Development Fund	✓		✓		✓			✓	n/a	✓	
Asian Development Bank[37]		✓	✓		✓			✓	✓	✓	
Asian Development Bank Special Funds	✓		✓		✓			✓	✓	✓	
European Bank for Reconstruction and Development		✓	✓		✓			✓	✓	✓	
European Investment Bank[38]	✓	✓	✓		✓			✓	n/a	✓	
World Bank (IBRD)		✓	✓		✓			✓	n/a	✓	
World Bank (Intl. Development Association)	✓		✓		✓			✓	n/a	✓	
Inter-American Development Bank		✓	✓		✓			✓	n/a	✓	✓
Inter-American Development Bank Special Fund	✓		✓		✓			✓	n/a	✓	
International Finance Corporation		✓	✓		✓			✓	n/a	✓	
Adaptation Fund	✓		✓		✓		✓		n/a	✓	
Climate Investment Funds	✓		✓		✓		✓		n/a	✓	
Global Environment Facility, incl. Least Developed Countries Funds (LDCF) and Special Climate Change Fund (SCCF)	✓		✓		✓		✓		n/a	✓	✓
Nordic Development Fund	✓		✓		✓		✓		n/a	✓	

Annex E: Coverage and approaches for mobilised private climate finance (2013-14)

Information in this table does not reflect the full set of financial instruments used nor official choices made by the institutions and countries listed. It reflects the extent to and format in which climate-related data was available for the purpose of this report. In most cases, data was sourced directly from the institutions (or countries) listed. Complementary data from the joint-DFI mapping (Stumhofer et al., 2015) and the OECD DAC survey on amounts mobilised (OECD DAC, 2015) was used for a limited number of institutions.

		Activity-level	Aggregate or semi-aggregate	Grants	Concessional loans	Non-concessional loans	Credit lines	Direct equity investments	Fund-level equity investments	Guarantees (exc. export credits)
Country	**Reporting**	**Format of data**		**Public finance instruments**						
Belgium	BIO-Invest	✓				✓				
Finland	FINNFUND	✓							✓	
France	AFD	✓	✓	✓	✓	✓	✓			
France	Proparco		✓			✓	✓	✓		
France	FFEM		✓	✓						
Germany	KfW		✓	✓	✓	✓	✓			✓
Germany	DEG		✓			✓		✓		
Japan	JICA		✓						✓	
Japan	JBIC		✓			✓				
Netherlands	FMO		✓		✓					
Norway	Foreign Ministry	✓		✓						
Norway	NORAD	✓		✓						✓
Norway	NORFUND	✓		✓	✓			✓	✓	✓
Portugal	SOFID	✓								✓
Spain	COFIDES	✓				✓		✓		
Spain	MAEC FONPRODE	✓						✓		
Sweden	SIDA	✓								✓
Switzerland	SIFEM	✓							✓	
UK	DECC/DFID	✓	✓	✓	✓				✓	
USA	OPIC		✓			✓				✓
USA	USAID		✓	✓						✓
	AfDB[39]	✓		✓	✓	✓				✓
	ADB[39]	✓			✓	✓				
	CIF	✓		✓	✓					✓
	EBRD	✓		✓		✓		✓		
	EIB	✓		✓	✓	✓		✓	✓	✓
	GEF	✓		✓	✓					✓
	IDB	✓		✓	✓	✓		✓	✓	✓
	IFC	✓			✓	✓		✓	✓	✓
	MIGA	✓								✓
	WB (IDA/IBRD)	✓			✓	✓				✓

39. Data for 2013 were approximated for AfDB and AsDB based downward-adjusted 2014 levels.

Commitment / board approval	Disbursement	Calendar year	Fiscal year	OECD DAC Rio Markers	MDB or IDFC approach	Other	ODA Eligible Countries	UNFCCC Non-Annex I Parties	Volume-based pro-rating	OECD DAC methodologies
Point of measurement				**Climate definition**			**Recipient definition**		**Attribution among public actors**	
✓		✓		✓			✓			✓
✓		✓		✓			✓			✓
✓		✓			✓	✓		✓	✓	
✓		✓			✓	✓		✓	✓	
✓		✓				✓		✓	✓	
✓		✓		✓	✓		✓		✓	
✓		✓			✓		✓		✓	
✓		✓		✓			✓			✓
✓		✓				✓		✓	✓	
✓		✓				✓	✓		✓	
✓		✓		✓				✓	✓	
✓		✓		✓				✓	✓	
✓		✓		✓				✓	✓	
✓		✓		✓			✓			✓
✓		✓			✓		✓		✓	
✓		✓		✓			✓			✓
✓		✓		✓			✓		✓	
✓		✓		✓			✓			✓
✓		✓		✓			✓		✓	✓
✓			✓		✓	✓	✓	✓	✓	
✓			✓	✓		✓	✓	✓	✓	
✓		✓			✓		✓	✓	✓	✓
✓		✓			✓		✓	✓	✓	
✓		✓				✓	✓	✓	✓	
✓		✓			✓		✓	✓	✓	
✓		✓			✓		✓	✓	✓	
✓		✓		✓			✓	✓	✓	
✓		✓	✓		✓		✓	✓	✓	
✓			✓		✓		✓	✓	✓	
✓			✓			✓	✓	✓	✓	✓
✓			✓		✓		✓	✓	✓	

Annex F: Input from the Technical Working Group

The recent Joint Statement of a group of 19 bilateral climate finance providers on their common understanding of the scope of mobilised climate finance was supported by detailed methodological input from their Technical Working Group.

The Technical Working Group provided further clarification and input to the OECD for the purposes of this report (TWG, 2015), and these details are presented in this annex.
Whilst the focus of the TWG was on methodologies to estimate mobilised private climate finance, some of their methodological choices can also apply to the measurement and reporting of public finance flows and for consistency in this report they are applied as a general framework (i.e. decisions on the treatment of coal and on the methodology for attributing multilateral finance).

Accounting for mobilised private climate finance: input to the OECD-CPI Report

On September 6th 2015 in Paris, ministers and senior officials from various developed country governments[40] agreed to a common methodology to track and report mobilized climate finance[41]. This methodology relies on the following principles: to ensure that only finance mobilized by developed country governments is counted towards the $100 billion goal and that, where multiple actors are involved, the resulting finance is only counted once in tracking finance; and to ensure that the reporting framework encourages and incentivizes the most effective use of climate finance.

Based on these principles and for the purpose of the OECD/CPI report commissioned by France and Peru, the following document outlines the methodologies that were used by the group to provide their bilateral data for the purposes of this report as well as some technical recommendations related to the accounting of flows mobilized by developed countries towards the $100 billion Copenhagen goal. It is worth noting that due to differences in data systems in use across countries, and in light of the compressed timeline for providing data for this report, not all providers were able to apply this precise methodology for the data submitted. This methodology builds on technical discussions over the past years within the OECD-hosted Research Collaborative on Tracking Private Climate Finance[42]; it reflects the best available technical understanding and data availability, acknowledging that further improvements will take place in the future in the light of changing data availability and lessons learned from trialing these recommendations.

- **Sectoral coverage**: the data provided by the group to OECD/CPI did not include finance related to coal projects[43]; however Japan and Australia consider that financing for high efficiency coal plants should also be considered as a form of climate finance and Japan provided a separate estimate of the amount of finance that Japan provided for high efficiency coal plants projects. In the report this estimate will be indicated separately from, and additionally to the main total climate finance estimate.
- **Classification of actors as public or private**: the group applied the OECD DAC standard definition to determine if an entity was public or private: official (i.e. public) transactions are those undertaken by central, state or local government agencies at their own risk and responsibility, regardless of whether these agencies have raised the funds through taxation or through borrowing from the private sector. The group reported data with the view that 100% of the finance by such entity should be counted as public[44] or private depending on the definition of the entity.
- **Geographic source of private flows mobilized**: considering the importance of mobilizing flows from the widest variety of sources and of strengthening the private sector in developing countries, in particular small and medium enterprises,

40. Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Sweden, Switzerland, United Kingdom, United States, and the European Commission.

41. http://www.news.admin.ch/NSBSubscriber/message/attachments/40866.pdf

42. The Research Collaborative is an open network, co-ordinated and hosted by the OECD Secretariat, of interested governments, relevant research institutions and international finance institutions.

43. except if equipped with CCS.

44. For increased transparency, in addition to total public finance, the group intends to provide information on public budgetary sources and/or grant equivalent in future reporting.

the data provided by the group included both domestic and international private flows mobilized by a developed country public intervention, with the understanding that multilateral data would follow the same convention. Where possible, the group agreed to aim to indicate where flows originated, using international standard based on Foreign Direct Investment statistics definitions, which relies on the residence principle as defined by the balance of payments[45].

- **Data sets**: the group provided activity-level data were available, or aggregates estimates based on activity-level data analysis. Only robust proxies were occasionally used[46] when no such data was available.
- **Causality between public intervention and private finance**: the group understands private finance as being mobilized where there is a clear causal link between a public intervention and associated private finance and where the activity would not have moved forward, or moved forward at scale, in the absence of our governments' intervention; and reported data accordingly. Data provided by the group relied on project-level boundaries for grants, loans and syndicated loans. For other types of financial instruments, such as guarantees and collective investment vehicles, the precise boundaries varied according to the level and quality of available data, as well as causality considerations based on conservative approaches.
- **Instruments**: as both are useful to effectively mobilize private sector towards low-carbon and resilient development, the group was of the view that private finance mobilized both by public finance and by policy support should be included, to the extent that data existed and that a causality link could be demonstrated, and fairly taking into account public finance and policy support provided by developing countries themselves. At this stage however, for practical reasons, data availability and coherence, the data provided by the group only reflected private finance mobilized via public instruments, until robust methodology and necessary data become available.
- **Currency**: the data provided by the group relied where possible on exchange rates from the OECD DAC.
- **Attribution – co-financing**: In order to prevent double counting and to recognize the role that developing countries' public finance plays in mobilizing private finance, the group recommended that mobilized private finance be accounted based on a volume-based, pro-rata attribution approach, and reported its bilateral data accordingly. In other words: if several public actors are involved in one project, the mobilized private climate finance associated with this project would be attributed to the various actors in equal proportion to the share of public finance (estimated at face value) that each public financier provided. Only developed countries' shares of private finance mobilized should be reported, excluding private finance mobilized by developing countries' public finance.
- **Attribution – multilateral institutions**: The group recommended that climate finance mobilized by multilateral entities with complex ownership structures, such as multilateral development banks and other multilateral entities, be attributed to the various owners based on the following methodology.

  The development of this methodology was guided by the principles below:

  – The methodology should be transparent and as simple as possible;
  – Only amounts that can reasonably be attributed to developed countries should be counted;
  – The contributions of developed countries to the capacity of MDBs and multilateral entities to mobilize resources should be recognized, including contributions to concessional windows and paid-in and callable capital contributions to non-concessional windows;
  – The method should be dynamic; it should be relatively easy to adapt to changing circumstances as appropriate.

Concessional windows and dedicated climate funds

The MDB concessional windows, as well as dedicated climate funds, operate on a "money-in, money-out" model—they are not leveraged (they do not raise funds in bond markets for their financing), and they have to be replenished regularly. Their resources come from contributions made during the replenishment process by countries and from retained earnings (reflows from loans and other instruments and interest on investments).

45. See for example http://www.imf.org/external/np/sta/bop/BOPman.pdf

46. By some DFIs in particular.

The overall approach recommended to calculating the attributable share of finance from concessional windows involves separating flows that originate from the most recent replenishment from flows originating from reflows and past replenishments. The former should be imputed using the developed countries' share of contributions in the most recent replenishment; the latter should be imputed using the developed countries' share of historical contributions[47].
This translates in the following formula:

$$\left[\left[x\left(\frac{\textit{Developed country contributions}}{\textit{All contributions}}\right)_{\textit{Current}}\right]+\left[y\left(\frac{\textit{Developed country contributions}}{\textit{All contributions}}\right)_{\textit{Historical}}\right]\right] \text{ x } \textit{Annual climate finance flow}$$

where x is the portion of climate finance from the concessional window or fund that derives from recent contributions, and y is the portion that comes from retained earnings.

Non-concessional windows

The financial mechanics of the MDB non-concessional windows, which rely on leverage, require a different approach. The non-concessional windows fund themselves through (1) resources raised in the bond market and (2) retained earnings. The banks' ability to fund themselves is determined by their capital, which is usually of two types: paid-in and callable. The banks' AAA credit ratings allow them to raise larger volumes of finance in the markets and at terms that are more attractive than the banks' borrowers could secure on their own.

The banks' credit ratings derive from the quality of their balance sheets and the extraordinary support that shareholders are committed to providing in the form of callable capital, whose value is taken into account by rating agencies in their judgment only if it is highly-rated (HR)[48]. The importance of this capital to a particular institution's credit rating depends on several factors, including the strength of the bank's portfolio. For some MDBs, highly-rated callable capital results in uplift of one or more notches in the rating of the bank beyond what the Stand Alone Credit Profile would provide. In other cases, highly-rated callable capital is deemed as increasing the MDB's lending and borrowing headroom. In all cases, highly-rated callable is deemed as providing stability to the MDBs' credit ratings.

The proposed approach to calculating the attributable share of finance from non-concessional windows involves two elements. The first is developed countries' share of paid-in capital, and the second is developed countries' share of highly-rated callable capital[49]. To recognize that callable capital is not equal to paid-in capital, the eligible callable capital should be affected with an important discount[50]. This approach translates into the following formula:

$$\left[\frac{\textit{Paid in capital}_{\textit{Developed countries}} + (\textit{HR Callable capital}_{\textit{Developed countries}} * 0.1)}{\textit{Paid in capital}_{\textit{All countries}} + (\textit{HR Callable capital}_{\textit{All countries}} * 0.1)}\right] \text{ x } \textit{Annual climate finance flow}$$

Source: Technical Working Group, (September 2015)

47. To calculate the amount of climate finance that can be attributed to developed countries in a given year, the climate finance outflows of the MDB concessional windows and dedicated climate funds for that year will be separated into those that are sourced from recent contributions and those that are based on retained earnings. The portion sourced from recent contributions will be multiplied by the share of the total replenishment contributed by developed countries in the most recent cycle. The portion sourced from retained earnings will be multiplied by the share of developed countries in historical contributions, which is the sum of all replenishments except for the most recent one. The two terms are then added together and the resulting ratio is multiplied by the total climate finance flow from that window or entity for the relevant year.

48. Highly-rated callable capital is understood for the purpose of this exercise as capital contributed by countries whose median credit rating among the three major credit rating agencies is "A" or above (higher of the two, if one of the three is missing).

49. The ratio of climate finance from non-concessional windows attributable to developed countries will be calculated as (1) the sum of developed countries' paid-in capital and developed countries' highly-rated callable capital (with discount), divided by (2) the sum of the total paid-in capital and the total highly-rated capital (with discount).

50. To recognize that paid-in capital has substantially more value than callable capital, a discount rate should be applied to the callable-capital portion of the calculation. Setting a discount rate is not an exact science but the group proposes to discount highly-rated callable capital by 90%, thereby only counting 10% of its volume.

Annex G: Comparative analysis of headline estimates of climate finance

Institution/ Report	Headline Figure	Coverage/Data	Source
OECD DAC Statistics (2015)	• **USD 40bn climate-related development finance** in 2013 (public).	• Providers include DAC members, MDBs and multilateral climate funds and the UAE • Flows to ODA-eligible recipients • Data reflect commitments, based on calendar year • Concessional and non-concessional flows • Data gaps; bilateral OOF only partial and some MDB flows and smaller multilateral funds.	Activity level data, collected routinely and systematically through the OECD DAC Creditor Reporting System (CRS),
CPI Landscape (2014)	• USD 31-37 billion (34 billion) of the finance captured flowed from developed (OECD) to developing countries (non-OECD). • Of which 94% is public resources.	• Split as developed (OECD) and developing (non-OECD countries • DAC members reporting to the OECD; US Government where needed by data gaps; Multilateral, Bilateral and National Development Finance Institutions; Multilateral Climate Funds; private finance invested in renewable energy projects. • Data reflect new financial commitments and investment that reached financial closure in 2013.	Compilation of data from primary and secondary data sources, including direct project-level reporting from a number of Development Finance Institutions.
UNFCCC SCF (2014) Biennial Assessment and Overview of Climate Finance Flows	• Climate finance flows from developed to developing countries: • USD 35-50bn p.a. public finance (av. 2010-12) • USD 5-120bn p.a. private finance (av. 2010-12)	• Estimates aim for as full coverage as data available. • Unclear on basis of measurement – though given sources, likely mostly commitments.	Compilation of data from a range of sources, rather than primary data collection
UNFCCC Biennial Reports	• **USD 28.755bn** reported in 2011, and **USD 28.863bn** in 2012 (source: UNFCCC BA)	• Range of reporting approaches, combining commitment and disbursement data, bi and multi, public and some private finance, and range of instruments...	Developed Party UNFCCC reporting to in (Biennial reports).
MDB Joint Climate Finance Reports 2013 & 2014	• USD 23.8 and USD 28.3 bn. in 2013 and 2014 respectively, from MDB's own resources and external resources.	• Providers include the six main MDBs • Country coverage beyond ODA-eligible. • Data corresponds to commitments at the time of Board approval or financial agreement signature, and are based on fiscal year. • Concessional and non-concessional flows	Main MDBs reporting

Glossary of key terms

Attribution of multilateral finance between developed and developing countries	The process by which public finance from multilateral entities' (e.g. MDBs) own resources or public finance mobilised by the latter is attributed to the entity shareholders.
Attribution of private co-finance among public actors	The process by which private co-finance (see below) or mobilised private finance (see below) is attributed among public actors involved. This can for instance be done based on the role played or risk taken by each actor/intervention. For practical reasons, private co-finance was, for the purpose of this report, attributed using volume-based pro-rating. Such attribution simply reflects the share of each actor in the total public finance involved at the project or activity-level.
Bilateral flows	Bilateral transactions are those provided by a climate finance provider country to a developing country. They may encompass transactions channelled through multilateral organisations ("multi-bi" or "earmarked" contributions), transactions with non-governmental organisations active in development and other, internal development-related transactions such as interest subsidies, spending on promotion of development awareness, debt reorganisation and administrative costs.
Commitment	A commitment is a firm written obligation by a government, public agency or bank, backed by the appropriation or availability of the necessary funds, to provide resources of a specified amount under specified financial terms and conditions and for specified purposes for the benefit of a recipient country or a multilateral agency.
Concessional and non-concessional loans	While non-concessional loans are provided at, or near to, market terms, concessional loans are provided at softer terms than market terms. For bilateral loans, to help distinguish official development assistance from other official flows, a minimum grant element of 25% has been specified to qualify loans as concessional.
Creditor Reporting System (CRS)	The central statistical reporting system of the Development Assistance Committee (DAC) whereby bilateral and multilateral providers of development co-operation report at item level on all flows of resources to developing countries. It is governed by reporting rules and agreed classifications, and used to produce various aggregates, making DAC statistics the internationally recognised source of comparable and transparent data on official development assistance and other resource flows to developing countries.
DAC List of ODA Recipients	The list of developing countries eligible for official development assistance. This list is maintained by the Development Assistance Committee and revised every three years.
Developed countries	In the context of this report, developed countries are classified as the 24 UNFCCC Annex II parties together with the Czech Republic, Poland, Slovak Republic and Slovenia.
Developing countries	In the context of this report, these include any country that is a UNFCCC Non-annex I Party and/or an OECD DAC ODA-eligible participant (see Annex B for a list).
Development Finance Institutions (DFIs)	National and international development finance institutions (DFIs) are specialised development banks or subsidiaries set up to support private sector development in developing countries. They are usually majority-owned by national governments and source their capital from national or international development funds or benefit from government guarantees.
Disbursement	The release of funds to or the purchase of goods or services for a recipient; by extension, the amount thus spent. Disbursements record the actual transfer of financial resources, or of goods or services valued at the cost to the provider.
Fast Start Finance	The collective agreement taken by developed countries during COP15 in 2009 to provide new and additional resources, including forestry and investments, approaching USD 30 billion for the period 2010-2012 and with balanced allocation between mitigation and adaptation.
Grant element	A measure of the concessionality of a loan, expressed as the percentage by which the present value of the expected stream of repayments falls short of the repayments that would have been generated at a given reference rate of interest. The reference rate is 10% in DAC statistics.
Guarantees	A guarantee refers to a risk-sharing agreement under which the guarantor agrees to pay part or the entire amount due on a loan, equity or other instrument to the lender/investor in the event of non-payment by the borrower or loss of value in case of investment.

Imputed multilateral ODA	Climate-related imputed multilateral contributions are an estimation of the share of the core contributions to multi-purpose organisations that is used for climate-related activities. It is a two-step estimation. First, the proportion of the activities undertaken by the multilateral organisation that aim to address climate change is calculated. Second, this proportion is applied to the donor's core contributions, to estimate the climate-related share of their core contributions.
Mobilised private finance	Private finance caused by public interventions. Claiming mobilisation requires demonstrating or making plausible assumptions about such causal link. For the purpose of this report, private co-financing (see below) was used as best available evidence of mobilisation, acknowledging the limitations of doing so.
Multi-bi allocations	Contributions to multilateral organisations earmarked for a specific purpose, sector, region or country, which includes contributions to trust funds and joint programming; also referred to as non-core funding
Multilateral climate funds	Organisations managing contributions from public and private actors to climate-specific goals. For the purpose of this report, the main funds considered are those for which countries formerly report to the UNFCCC in the context of CTF table 7(a) (the Global Environment Facility, the Least Developed Countries Fund, the Adaptation Fund, the Green Climate Fund, the UNFCCC Trust Fund for Supplementary Activities).
Multilateral development bank (MDB)	An institution created by a group of countries, which provides financing and professional advice for the purpose of development. The main multilateral development banks are the World Bank, the European Investment Bank (EIB), the Asian Development Bank (ADB), the New Development Bank (NDB), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank Group (IDB or IADB), the African Development Bank (AfDB) and the Islamic Development Bank (IsDB).
Official development assistance (ODA)	Grants or loans to countries and territories on the DAC list of ODA recipients and to multilateral agencies that are undertaken by the official sector at concessional terms (i.e. with a grant element of at least 25%) and that have the promotion of the economic development and welfare of developing countries as their main objective. In addition to financial flows, technical co-operation is included in ODA.
Officially-supported export credits	Export credits are government financial support, direct financing, guarantees, insurance or interest rate support provided to foreign buyers to assist in the financing of the purchase of goods from national exporters.
Other official flows (OOF)	Transactions by the official sector which do not meet the conditions for eligibility as official development assistance, either because they are not primarily aimed at development or because they have a grant element of less than 25%. See official development assistance.
Private co-financing	Amount of private finance directly associated with public finance at the activity-, project-, or fund-level.
Public and private finance	Finance is considered public when undertaken by central, state or local government agencies at their own risk and responsibility, regardless of whether these agencies have raised the funds through taxation or through borrowing from the private sector. This includes transactions by public corporations. Private transactions are those undertaken by firms and individuals resident in the reporting country from their own private funds (OECD DAC, 2013).
Technical Working Group on mobilised climate finance	19 bilateral climate finance providers (Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Sweden, Switzerland, United Kingdom, United States, and the European Commission) having developed a common understanding of the scope of mobilised climate finance (TWG, 2015).

List of abbreviations and acronyms

ADB	Asian Development Bank
AfDB	African Development Bank
CCS	Carbon Capture and Storage
CIFs	Climate Investment Funds
COP21	21st Conference of parties of the UNFCCC (see below)
CPI	Climate Policy Initiative
DAC	OECD Development Assistance Committee
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
GCF	Greec Climate Fund
GEF	Global Environment Facility
IaDB	Inter-American Development Bank
IDFC	International Development Finance Club
IFC	International Finance Corporation
IPCC	Intergovernmental Panel on Climate Change
IsDB	Islamic Development Bank
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OOF	Other official flows
MDBs	Multilateral development banks
MIGA	Multilateral Investment Guarantee Agency
SCF	UNFCCC Standing Committee on Finance
TWG	Technical Working Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
WBG	World Bank Group

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About OECD

The OECD has a long experience in measuring climate-related development finance in the broader context of financing for development. The DAC statistical framework provides an international standard for tracking development finance, recently capturing integrated statistics on bilateral and multilateral climate-related development finance flows and working on improving its quality and coverage.

The OECD also hosts the Research Collaborative for Tracking Private Climate Finance, which co-ordinates emerging findings on methodologies to estimate mobilised private climate finance. The Research Collaborative has close technical collaboration with the DAC, MDBs, other development finance institutions, countries and expert organisations.

About CPI

Climate Policy Initiative (CPI) works to improve the most important energy and land use policies around the world, with a particular focus on finance. It supports decision makers through in-depth analysis on what works and what does not. CPI works in places that provide the most potential for policy impact, including Brazil, China, Europe, India, Indonesia, and the United States.

Its work helps nations grow while addressing increasingly scarce resources and climate risk. This is a complex challenge in which policy plays a crucial role.

LINKS

OECD

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CPI

www.climatepolicyinitiative.org
http://climatepolicyinitiative.org/climate-finance/
www.climatefinancelandscape.org/

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